

## NOTICE OF EXEMPTION

To: Los Angeles County Recorder/County Clerk      From: Westside Union School District  
12400 Imperial Hwy      41914 50<sup>th</sup> Street West  
Norwalk, CA 90650      Quartz Hill, CA 93536

Governor's Office of Planning and Research  
State Clearinghouse Unit  
(Online filing)

### Project Title:

Amendment of Community Facilities District No. 2016-1 (Replacement of Improvement Areas C and D with five new Improvement Areas designated C, D, E, F, and G) pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 of the California Government Code.

### Project Location – Specific:

The territory shown on the map entitled “Third Amended Boundary Map of Community Facilities District No. 2016-1, Westside Union School District Los Angeles County - Replacement of Improvement Area C and Improvement Area D” recorded in Los Angeles County, CA, on September 9, 2024, as Instrument No. 20240608066.

### Project Location – City, County:

Projects are located within the Westside Union School District (the “District”), City of Palmdale, County of Los Angeles.

### Description of Nature, Purpose, and Beneficiaries of Project:

Financing of public school sites and facilities operated by the District, Antelope Valley Union High School District, & LA County Water Works District #40. The beneficiaries are the District, Antelope Valley Union High School District, and LA County Water Works District #40.

### Name of Public Agency Approving and Carrying Out Project:

Westside Union School District, acting as the legislative body of the Westside Union School District Community Facilities District No. 2016-1.

### Exempt Status:

Amendment of a Community Facilities District is not a “project” as defined in CEQA (see CEQA Guidelines Section 15378(b)(4)).

Reasons Why Project is Exempt:

The establishment of a financing mechanism by the District to assist in the financing of public facilities in the District is not a project as defined in CEQA.

Contact Person:	Area Code:	Telephone:
Jacob Briggs	661	722-0716 (ext. 76104)

A certified copy of Resolution No. 25-05, which is the document of exemption finding, is attached.

This notice of exemption is filed by the public agency approving the project.

Signature:  Date: 7-21-24  
Jacob Briggs

To be completed by the County Recorder/County Clerk:

Date Received  
for Filing: \_\_\_\_\_

## **RESOLUTION NO.25-05**

**RESOLUTION OF CHANGE BY THE BOARD OF TRUSTEES OF THE WESTSIDE UNION SCHOOL DISTRICT, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2016-1, REPLACING IMPROVEMENT AREAS C AND D OF COMMUNITY FACILITIES DISTRICT NO. 2016-1 WITH FIVE NEW IMPROVEMENT AREAS DESIGNATED C, D, E, F, AND G OF COMMUNITY FACILITIES DISTRICT NO. 2016-1; CHANGING THE AMOUNT OF AUTHORIZED INDEBTEDNESS FOR THE AMENDED IMPROVEMENT AREAS, APPROVING THE AMENDED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES AUTHORIZED TO BE LEVIED WITHIN EACH AMENDED IMPROVEMENT AREA; DECLARING THE RESULTS OF THE SPECIAL ELECTION HELD ON OCTOBER 15, 2024; AND APPROVING RELATED ACTIONS**

WHEREAS, the Board of Trustees (the "Board") of the Westside Union School District (the "School District") has previously undertaken proceedings to form Community Facilities District No 2016-1 (the "District"), pursuant to the provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act") to finance the acquisition or construction of certain authorized facilities; and

WHEREAS, as a result of changing economic conditions, City Ventures Homebuilding, LLC (the "Developer"), requested that the District initiate change proceedings (the "Change Proceedings") to (a) replace Improvement Area C and Improvement Area D of the District with five new improvement areas (Improvement Area C, Improvement Area D, Improvement Area E, Improvement Area F, and Improvement Area G, each an "Improvement Area" and collectively, the "Improvement Areas"), (b) amend the boundary map of the District to reflect the boundaries of each Improvement Area, to (c) designate the maximum authorized indebtedness for each Improvement Area by reallocating the maximum amount of bonded indebtedness previously approved within the existing Improvement Area C and Improvement Area D, (d) designate previously approved facilities (the "Facilities") authorized to be financed with the special taxes and bonds of each new Improvement Area (excluding any City of Palmdale facilities), as further described in Exhibit A of the 2024 Resolution of Consideration, and (e) amend and approve a new rate and method of apportionment of special taxes ("RMA") for each Improvement Area (collectively, the "2024 Proposed Modifications"); and

WHEREAS, on September 3, 2024, the Board, acting as the legislative body of the District, adopted Resolution No. 25-01 (the "2024 Resolution of Consideration"), declaring its intention to consider the 2024 Proposed Modifications to the District; and

WHEREAS, the 2024 Resolution of Consideration called for a public hearing, to be held on October 15, 2024, on the 2024 Proposed Modifications, at 6:30 p.m. at the Hillview Middle School Multi-Purpose Room, located at 40525 Peonza Lane, Palmdale, California 9355 (the "Public Hearing"); and

WHEREAS, on October 15, 2024, the Board, acting as the legislative body of the District, adopted Resolution No. \_\_\_\_\_ (the "2024 Resolution Calling Election"), which resolution called a special election submitting the 2024 Proposed Modifications to the qualified electors of each Improvement Area; and

WHEREAS, pursuant to the terms of the Resolution Calling Election, the special election was held on October 15, 2024, and the ballots were submitted to the Clerk of the Board as the official conducting the election, and the Clerk has completed a Canvass and Statement of Results of Election (the "Canvass"), a copy of which is attached hereto as Exhibit A.

WHEREAS, a report regarding the 2024 Proposed Modifications has been prepared on behalf of the District and has been reviewed by the Board and is incorporated herein and made a part of the record of the Public Hearing; and

WHEREAS, the School District and the Developer previously entered into a mitigation agreement dated March 29, 2016, and a First Amendment to Mitigation Agreement dated August 18, 2020 (together, the "Mitigation Agreement") and now desire to amend the Mitigation Agreement to reflect the 2024 Proposed Modifications ("Amended Mitigation Agreement"); and

WHEREAS, the 2024 Proposed Modifications are not a project as defined by the California Environmental Quality Act Guidelines Section 15378, and would not independently result in a significant physical effect on the environment.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE WESTSIDE UNION SCHOOL DISTRICT, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2016-1, AS FOLLOWS:**

SECTION 1. Recitals. The above recitals are all true and correct.

SECTION 2. Confirmation of Prior Proceedings. Pursuant to Government Code section 53325.1(b), the Board finds and determines that the proceedings prior hereto were valid and in conformity with the requirements of the Act.

SECTION 3. Protests. Written protests against the change proceedings to modify the District as provided in the Resolution of Consideration have not been filed by fifty percent (50%) or more of the registered voters, or by property owners of one-half (1/2) or more of the area of land within either Improvement Area C, Improvement Area D, Improvement Area E, Improvement Area F, or Improvement Area G.

SECTION 4. Boundaries of Improvement Areas C, D, E, F & G. The boundaries of the Improvement Areas shall be as set forth in the Third Amended Boundary Map of the District which map has been recorded with the Los Angeles County Recorder's Office.

SECTION 5. Authorized Indebtedness. The Board hereby approves the maximum authorized indebtedness of the District for each Improvement Area as follows: \$5,050,000 for Improvement Area C, \$2,900,000 for Improvement Area D, \$3,800,000 for Improvement Area E, \$6,650,000 for Improvement Area F, and \$4,600,000 for Improvement Area G. The foregoing



authorized amounts represent reallocation of the authorized indebtedness of the dissolved prior Improvement Areas C and D, and such reallocation does not increase the aggregate authorized indebtedness of the District.

**SECTION 6. Approval of Financing Facilities.** The Board approves the financing of the Facilities authorized to be financed with the special taxes and bonds of each new Improvement Area, as amended by the 2024 Proposed Modifications, as described in Exhibit A to the 2024 Resolution of Consideration.

**SECTION 7. Approval of Amended and Restated Rate and Method of Apportionment.** The Board hereby approves the Amended and Restated Rate and Method of Apportionment for Improvement Area C, Improvement Area D, Improvement Area E, Improvement Area F, and Improvement Area G as specified and approved in the Resolution of Consideration, and attached hereto and incorporated herein by reference, respectively as Exhibits B-1, B-2, B-3, B-4, and B-5.

**SECTION 8. Approval of Canvass.** Pursuant to said canvass of returns and the result of the special election on the matters contained herein and conducted on this date, the issues presented at the special election were approved by the qualified electors within the District by more than two-thirds (2/3) of the votes cast at the special election, as certified by the Clerk of the Board as the official conducting the election. The Clerk's Canvass and Statement of Election Results is attached hereto as Exhibit A and incorporated herein.

**SECTION 9. General Authorization.** All actions taken by the agents of the District with respect to the proceedings described in this Resolution are approved, confirmed and ratified, and the Superintendent or her designee is authorized to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the various proceedings in accordance with this Resolution, and any certificate, agreement, and other document described in the documents herein approved.

**SECTION 10. Special Tax Lien Recording.** The Clerk of the Board is hereby directed to complete, execute and cause to be recorded in the Office of the Recorder of the County of Los Angeles an Amended and Restated Notice of Special Tax Lien for Improvement Area C, Improvement Area D, Improvement Area E, Improvement Area F, and Improvement Area G, respectively, in the form required by the Act, such recording to occur no later than fifteen (15) days following adoption of this Resolution.

**SECTION 11. Amendment to Mitigation Agreement.** The form of the Amended Mitigation Agreement on file with the Clerk of the Board of Trustees, is hereby approved, and the Superintendent of the School District, or her designee, is authorized to execute and deliver such agreement, with such changes therein, deletions therefrom and modifications thereto as the Superintendent or her designee may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 12. Notice of Exemption. The Board hereby determines that the 2024 Proposed Modifications does not constitute a project pursuant to the California Environmental Quality Guidelines section 15378(b)(4) and authorizes the District staff to file a notice of exemption with the appropriate parties including, but not limited to, the Los Angeles County Clerk and State Clearinghouse in the Office of Planning and Research.

SECTION 13. Effective Date. This Resolution shall take effect immediately upon its adoption.

**ADOPTED** by the Board of Trustees of the Westside Union School District at a duly called and noticed meeting, of which the public was provided due notice, and at which a quorum of said Board were in attendance, conducted in the City of Palmdale, California, on the 15<sup>th</sup> day of October, 2024 by the following vote:

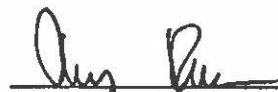
AYES: 4

NOES: 0

ABSENT/ABSTAIN: /

  
\_\_\_\_\_  
President, Board of Trustees  
Westside Union School District

ATTEST:

  
\_\_\_\_\_  
Clerk, Board of Trustees  
Westside Union School District

## EXHIBIT A

### CANVASS AND STATEMENT OF ELECTION RESULTS

The undersigned Clerk of the Board of Trustees of Westside Union School District certifies that they canvassed the returns of the special election held on October 15, 2024, with respect to the changes within Improvement Area C, Improvement Area D, Improvement Area E, Improvement Area F, and Improvement Area G of Community Facilities District No. 2016-1 of the Westside Union School District and the total number of ballots cast in each Improvement Area and the total number of votes cast for and against the measure are as follows and the totals as shown for and against the measure are full, true and correct:

#### IMPROVEMENT AREA C

Westside Union School District Community Facilities District No 2016-1

Qualified Landowner Votes	Votes Cast	YES	NO
26			

**MEASURE:** Within the territory identified as Improvement Area C as defined in Resolution No. 25-01 adopted by the Board of Trustees of the Westside Union School District on September 3, 2024 ("Resolution of Consideration"), shall (i) the maximum authorized indebtedness for Improvement Area C be incurred in the amount of \$5,050,000; (ii) the facilities authorized to be financed with the special taxes and bonds of Improvement Area C be as further described in Exhibit A to the Resolution of Consideration; and (iii) the Rate and Method of Apportionment of Special Tax for Improvement Area C of the CFD be amended as set forth in the form of the Amended Rate and Method of Apportionment of Special Taxes attached as Exhibit B-1 to the Resolution of Consideration and attached as Exhibit B-1 to the Resolution Calling Special Election adopted by the Board of Trustees of the Westside Union School District on October 15, 2024?

**IMPROVEMENT AREA D**

**Westside Union School District Community Facilities District No 2016-1**

Qualified Landowner Votes	Votes Cast	YES	NO
21			

**MEASURE:** Within the territory identified as Improvement Area D as defined in Resolution No. 25-01 adopted by the Board of Trustees of the Westside Union School District on September 3, 2024 ("Resolution of Consideration"), shall (i) the maximum authorized indebtedness for Improvement Area D be incurred in the amount of \$2,900,000; (ii) the facilities authorized to be financed with the special taxes and bonds of Improvement Area D be as further described in Exhibit A to the Resolution of Consideration; and (iii) the Rate and Method of Apportionment of Special Tax for Improvement Area D of the CFD be amended as set forth in the form of the Amended Rate and Method of Apportionment of Special Taxes attached as Exhibit B-2 to the Resolution of Consideration and attached as Exhibit B-2 to the Resolution Calling Special Election adopted by the Board of Trustees of the Westside Union School District on October 15, 2024?

**IMPROVEMENT AREA E**

**Westside Union School District Community Facilities District No 2016-1**

<b>Qualified Landowner Votes</b>	<b>Votes Cast</b>	<b>YES</b>	<b>NO</b>
22			

**MEASURE:** Within the territory identified as Improvement Area E as defined in Resolution No. 25-01 adopted by the Board of Trustees of the Westside Union School District on September 3, 2024 ("Resolution of Consideration"), shall (i) the maximum authorized indebtedness for Improvement Area E be incurred in the amount of \$3,800,000; (ii) the facilities authorized to be financed with the special taxes and bonds of Improvement Area E be as further described in Exhibit A to the Resolution of Consideration; and (iii) the Rate and Method of Apportionment of Special Tax for Improvement Area E of the CFD be amended as set forth in the form of the Amended Rate and Method of Apportionment of Special Taxes attached as Exhibit B-3 to the Resolution of Consideration and attached as Exhibit B-3 to the Resolution Calling Special Election adopted by the Board of Trustees of the Westside Union School District on October 15, 2024?

**IMPROVEMENT AREA F**

**Westside Union School District Community Facilities District No 2016-1**

<b>Qualified Landowner Votes</b>	<b>Votes Cast</b>	<b>YES</b>	<b>NO</b>
<b>41</b>			

**MEASURE:** Within the territory identified as Improvement Area F as defined in Resolution No. 25-01 adopted by the Board of Trustees of the Westside Union School District on September 3, 2024 ("Resolution of Consideration"), shall (i) the maximum authorized indebtedness for Improvement Area F be incurred in the amount of \$6,650,000; (ii) the facilities authorized to be financed with the special taxes and bonds of Improvement Area F be as further described in Exhibit A to the Resolution of Consideration; and (iii) the Rate and Method of Apportionment of Special Tax for Improvement Area F of the CFD be amended as set forth in the form of the Amended Rate and Method of Apportionment of Special Taxes attached as Exhibit B-4 to the Resolution of Consideration and attached as Exhibit B-4 to the Resolution Calling Special Election adopted by the Board of Trustees of the Westside Union School District on October 15, 2024?

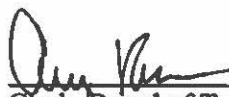
**IMPROVEMENT AREA G**

**Westside Union School District Community Facilities District No 2016-1**

<b>Qualified Landowner Votes</b>	<b>Votes Cast</b>	<b>YES</b>	<b>NO</b>
<b>29</b>			

**MEASURE:** Within the territory identified as Improvement Area G as defined in Resolution No. 25-01 adopted by the Board of Trustees of the Westside Union School District on September 3, 2024 ("Resolution of Consideration"), shall (i) the maximum authorized indebtedness for Improvement Area G be incurred in the amount of \$4,600,000; (ii) the facilities authorized to be financed with the special taxes and bonds of Improvement Area G be as further described in Exhibit A to the Resolution of Consideration; and (iii) the Rate and Method of Apportionment of Special Tax for Improvement Area G of the CFD be amended as set forth in the form of the Amended Rate and Method of Apportionment of Special Taxes attached as Exhibit B-5 to the Resolution of Consideration and attached as Exhibit B-5 to the Resolution Calling Special Election adopted by the Board of Trustees of the Westside Union School District on October 15, 2024?

Certified under penalty of perjury on October 15, 2024, at Quartz Hill, California.



Clerk, Board of Trustees



**EXHIBIT B-1**

**AMENDED RATE AND METHOD OF APPORTIONMENT OF  
IMPROVEMENT AREA C**

**[Attached]**

**FIRST AMENDED  
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES OF  
IMPROVEMENT AREA C OF  
COMMUNITY FACILITIES DISTRICT NO. 2016-1 OF  
THE WESTSIDE UNION SCHOOL DISTRICT**

A Special Tax, as defined herein, shall be levied on and collected from all Assessor's Parcels in Improvement Area C of Community Facilities District No. 2016-1 of the Westside Union School District each Fiscal Year, as defined herein, commencing in Fiscal Year 2024/2025, in an amount determined by the Board through the application of the Rate and Method of Apportionment of Special Taxes ("RMA"), as defined herein, described below. All the real property within the District, unless exempted by law or by provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

**SECTION A  
DEFINITIONS**

For purposes of this RMA, the terms hereinafter set forth have the following meanings:

**"Acreage"** means the number of acres of land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the Administrator may rely on the land area shown on the applicable Final Map.

**"Act"** means the Mello-Roos Communities Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

**"Administrative Expenses"** means any ordinary and necessary expense incurred by the School District on behalf of the District related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes, including, but not limited to, the reasonable expenses of collecting delinquencies, the administration of Bonds, the proportionate payment of salaries and benefits of any School District employee whose duties are directly related to the administration of the District, and reasonable costs otherwise incurred in order to carry out the authorized purposes of the District including, but not limited to, a proportionate amount of School District general administrative overhead related thereto.

**"Administrator"** means an official of the School District or designee thereof, responsible for determining the levy and collection of the Special Taxes.

**"ADU"** means an Accessory Dwelling Unit as defined in California Government Code Section 65852.2 and 65852.22.

**"Annual Special Tax"** means the Special Tax levied in any Fiscal Year on any Assessor's Parcel.

**"Approved Property"** means all Assessor's Parcels of Taxable Property that (i) are associated with a Lot in a Final Map that was recorded prior to the January 1 preceding the Fiscal Year in which the Special Tax is being levied and (ii) have not been issued a building permit on or before the May 1 preceding the Fiscal Year in which the Special Tax is being levied.

**"Assessor's Parcel"** means a parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of the District.

**"Assessor's Parcel Map"** means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

**"Assessor's Parcel Number"** means that number assigned to an Assessor's Parcel by the County for purposes of identification.

**"Assigned Annual Special Tax"** means the Special Tax of that name described in Section D hereof

**"Backup Annual Special Tax"** means the Special Tax of that name described in Section E hereof

**"Board"** means the Governing Board (Board of Education) of the School District, or its designee(s), acting as the Legislative Body of the District.

**"Bond Index"** means the national Bond Buyer Revenue Index, commonly referenced as the 25 Bond Revenue Index. In the event the Bond Index ceases to be published, the index used shall be based on a comparable index for revenue bonds maturing in 30 years with an average rating equivalent to Moody's A1 and/or Standard & Poor's A+, as determined by the Board.

**"Bond Yield"** means the yield of the last series of Bonds issued. For purposes of this calculation the yield of the Bonds shall be the yield calculated at the time such Bonds are issued, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, for the purpose of the Non-Arbitrage (Tax) Certificate or other similar bond issuance document.

**"Bonds"** means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which the Special Taxes have been pledged for repayment.

**"Building Square Footage" or "BSF"** means the assessable square footage within the perimeter of a residential structure, not including any carport, covered or uncovered walkway, garage, overhang, patio, enclosed patio, detached accessory structure, or similar area for such Unit.

**"City"** means the City of Palmdale, California.

**"County"** means the County of Los Angeles, California.

**"Developed Property"** means all Assessor's Parcels of Taxable Property for which building permit(s) were issued on or before May 1 of the prior Fiscal Year, provided that such Assessor's Parcels were created on or before January 1 of the prior Fiscal Year, as reasonably determined by the Administrator.

**"District"** means Improvement Area C of Community Facilities District No. 2016-1 of the School District.

**"Exempt Property"** means all Assessor's Parcels designated as being exempt from Special Taxes pursuant to Section K hereof.

**"Final Map"** means a final tract map, parcel map, condominium map lot line adjustment, or functionally equivalent map or instrument that creates individual Lots, recorded in the Office of the County Recorder.

**"Fiscal Year"** means the period commencing on July 1 of any year and ending on the following June 30.

**"Land Use Class or Classes"** means the tax classifications depicted in Table 1 for all Units on an Assessor's Parcel of Developed Property based on the Building Square Footage of such Unit.

**"Lot"** means an individual legal lot created by a Final Map for which a building permit for residential construction has been or could be issued.

**"Maximum Special Tax"** means for each Assessor's Parcel, the maximum Special Tax, determined in accordance with Section C, which can be levied by the District in a given Fiscal Year on such Assessor's Parcel.

**"Net Taxable Acreage"** means the total Acreage of Developed Property expected to exist within the District after all Final Maps are recorded.

**"Partial Prepayment Amount"** means the amount required to prepay a portion of the Special Tax obligation for an Assessor's Parcel as described in Section I hereof.

**"Prepayment Administrative Fees"** means any fees or expenses of the School District or the District associated with the prepayment of the Special Tax obligation of an Assessor's Parcel. Prepayment Administrative Fees shall include, among other things, the cost of computing the Prepayment Amount, redeeming Bonds, and recording or filing of any notices to evidence such prepayment and any associated or resulting redemption of Bonds.

**"Prepayment Amount"** means the amount required to prepay the Special Tax obligation in full for an Assessor's Parcel as described in Section II hereof.

**"Present Value of Taxes"** means for any Assessor's Parcel the present value of (i) the unpaid portion, if any, of the Annual Special Tax applicable to such Assessor's Parcel in the current Fiscal Year and (ii) the Special Taxes expected to be levied on such Assessor's Parcel in each remaining Fiscal Year, as determined by the Administrator, until the termination date specified in Section J, but in no event longer than 35 Fiscal Years. The discount rate used for this calculation shall be equal to (a) the Bond Yield after Bond issuance or (b) the most recently published Bond Index prior to Bond issuance.

**"Proportionately"** means that the ratio of the actual Annual Special Tax levy to the applicable Assigned Annual Special Tax is equal for all applicable Assessor's Parcels. In the case of Developed Property subject to apportionment of the Annual Special Tax under Step Four of Section G, "Proportionately" shall mean that the quotient of (i) the Annual Special Tax less the Assigned Annual Special Tax divided by (ii) the Backup Annual Special Tax less the Assigned Annual Special Tax is equal for all applicable Assessor's Parcels.

**"Provisional Undeveloped Property"** means all Assessor's Parcels of Taxable Property that would otherwise be classified as Exempt Property pursuant to Section K but cannot be classified as Exempt Property because to do so would reduce the Net Taxable Acreage below the required minimum Acreage set forth in Section K.

**"Reserve Fund Credit"** means an amount equal to the lesser of (i) the reduction in the applicable reserve fund requirement(s) resulting from the redemption of Bonds with the Prepayment Amount or (ii) ten percent (10%) of the amount of Bonds which will be redeemed. If a surety bond or other credit instrument satisfies the reserve requirement or the reserve requirement is underfunded at the time of the prepayment, no Reserve Fund Credit shall be given.

**"School District"** means the Westside Union School District, a public school district organized and operating pursuant to the Constitution and laws of the State of California.

**"Special Tax"** means any of the special taxes authorized to be levied by the District pursuant to the Act and this RMA.

**"Special Tax Requirement"** means the amount required in any Fiscal Year to pay (i) the debt service or the periodic costs on all outstanding Bonds, (ii) Administrative Expenses, (iii) the costs associated with the release of funds from an escrow account or accounts established in association with the Bonds, (iv) any amount required to establish or replenish any reserve funds (or accounts thereof) established in association with the Bonds, and (v) the collection or accumulation of funds for the acquisition or construction of eligible facilities and certain costs associated with the maintenance and operations of school facilities authorized by the District provided that the inclusion of such amount does not cause an increase in the levy of Special Tax on Approved Property, Undeveloped Property or Provisional Undeveloped Property as set forth in Steps Two through Four of Section G, less (vi) any amount(s) available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, trust agreement, or equivalent agreement or document. In arriving at the Special Tax Requirement, the Administrator shall take into account the reasonably anticipated delinquent Special Taxes, provided that the amount included cannot cause the Annual Special Tax of an Assessor Parcel of Developed Property to increase by greater than ten percent (10%) of what would have otherwise been levied.

**"Taxable Property"** means all Assessor's Parcels which are not classified as Exempt Property.

**"Undeveloped Property"** means all Assessor's Parcels of Taxable Property which are not classified as Developed Property.

**"Unit"** means each separate residential dwelling unit, including but not limited to, a single family attached or detached unit, condominium, an apartment unit, mobile home, or otherwise, excluding ADUs, hotels and motels.

## SECTION B CLASSIFICATION OF ASSESSOR'S PARCELS

Each Fiscal Year, commencing with Fiscal Year 2024/2025, all Assessor's Parcels shall be classified as either Taxable Property or Exempt Property. In addition, each Assessor's Parcel of Taxable Property shall be further classified as Developed Property, Approved Property, Undeveloped Property or Provisional Undeveloped Property. Each Unit on an Assessor's Parcel of Developed Property shall be assigned to a Land Use Class, according to Table 1 below, based on the Building Square Footage of each Unit.

**Table 1**  
**Land Use Classification**

Land Use Class	Building Square Footage
1	< 2,500 sq.ft
2	2,500 – 2,700 sq.ft
3	2,701 – 2,900 sq.ft
4	2,901 – 3,100 sq.ft
5	> 3,100 sq.ft

## SECTION C MAXIMUM SPECIAL TAX

### 1. Developed Property

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of the amount derived by the application of the (a) Assigned Annual Special Tax or (b) Backup Annual Special Tax.

### 2. Approved Property

The Maximum Special Tax for each Assessor's Parcel classified as Approved Property shall be derived by the application of the Assigned Annual Special Tax.

### 3. Undeveloped Property and Provisional Undeveloped Property

The Maximum Special Tax for each Assessor's Parcel classified as Undeveloped Property or Provisional Undeveloped Property shall be derived by the application of the Assigned Annual Special Tax.

## SECTION D ASSIGNED ANNUAL SPECIAL TAXES

### 1. Developed Property

The Assigned Annual Special Tax for each Assessor's Parcel of Developed Property will be determined in accordance with Table 2 below, subject to increases as described below.

**Table 2**  
**Fiscal Year 2024/2025**  
**Assigned Annual Special Taxes**

Land Use Class	Building Square Footage	Assigned Annual Special Tax
1	< 2,500 sq.ft	\$2,242.00 per Unit
2	2,500 – 2,700 sq.ft	\$2,452.00 per Unit
3	2,701 – 2,900 sq.ft	\$2,662.00 per Unit
4	2,901 – 3,100 sq.ft	\$2,815.00 per Unit
5	> 3,100 sq.ft	\$2,968.00 per Unit

### 2. Approved Property, Undeveloped Property, and Provisional Undeveloped Property

The Assigned Annual Special Tax for each Assessor's Parcel of Approved Property, Undeveloped Property or Provisional Undeveloped Property in Fiscal Year 2024/2025 shall be \$10,426.33 per acre of Acreage.

### 3. Increases in the Assigned Annual Special Tax

#### a. Developed Property

On each July 1, commencing July 1, 2025, the Assigned Annual Special Tax applicable to Developed Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

#### b. Approved Property, Undeveloped Property, and Provisional Undeveloped Property

On each July 1, commencing July 1, 2025, the Assigned Annual Special Tax per acre of Acreage for Approved, Undeveloped Property and Provisional Undeveloped Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.



## SECTION E BACKUP ANNUAL SPECIAL TAX

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to a Backup Annual Special Tax.

### 1. Calculation of the Backup Annual Special Tax

The Backup Annual Special Tax for an Assessor's Parcel of Developed Property within a Final Map shall be the rate per Lot calculated in accordance with the following formula in Fiscal Year 2024/2025 or such later Fiscal Year in which such Final Map is created, subject to increases as described below:

$$B = (U \times A) / L$$

The terms above have the following meanings:

- |   |   |  |
|---|---|--|
| B | = | Backup Annual Special Tax per Lot for the applicable Final Map   |
| U | = | Assigned Annual Special Tax per Acre of Undeveloped Property in the Fiscal Year the calculation is performed                       |
| A | = | Acreage of Taxable Property expected to exist within such Final Map at the time of calculation, as determined by the Administrator |
| L | = | Number of Lots within the applicable Final Map at the time of calculation  |

### 2. Changes to a Final Map

If the Final Map(s) described in the preceding paragraph are subsequently changed or modified, then the Backup Annual Special Tax for each Assessor's Parcel of Developed Property changed or modified in each such Final Map shall be a rate per square foot of Acreage calculated as follows:

- a. Determine the total Backup Annual Special Tax revenue anticipated to apply to the changed or modified Assessor's Parcels prior to the change or modification.
- b. The result of paragraph a. above shall be divided by the Acreage of Taxable Property of the modified Assessor's Parcels, as reasonably determined by the Administrator.
- c. The result of paragraph b above shall be divided by 43,560. The result is the Backup Annual Special Tax per square foot of Acreage that shall be applicable to the modified Assessor's Parcels, subject to increases as described below.

**3. Increase in the Backup Annual Special Tax**

Each July 1, commencing the July 1 following the initial calculation of the Backup Annual Special Tax for Developed Property within a Final Map, the Backup Annual Special Tax for each Lot within such Final Map shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

**SECTION F  
REDUCTION OF THE SPECIAL TAX  
PRIOR TO BOND SALE**

Prior to the issuance of the first series of Bonds, the Maximum Special Tax and Assigned Annual Special Tax on Taxable Property may be reduced in accordance with, and subject to, the conditions set forth in this Section F and the terms of the Mitigation Agreement without the need for any proceedings to make changes as permitted or required under the Act.

Prior to the issuance of the first series of Bonds the Administrator may review information regarding the current and expected value of residential units within the District and prepare an analysis estimating the total property tax burden of completed homes within the District. The Maximum Special Tax and Assigned Annual Special Tax on Taxable Property may be reduced with the written consent of the Administrator to a level such that the resulting estimated total property tax rate does not exceed 2% of the current and expected value of the residential units within the District.

With respect to any Assessor's Parcel for which the Special Tax is reduced, the Board shall indicate in the records of the District that there has been a reduction of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the reduction of the Special Tax obligation by executing a certificate in substantially the form attached herein as Exhibit A.

**SECTION G  
METHOD OF APPORTIONMENT  
OF THE ANNUAL SPECIAL TAX**

Commencing Fiscal Year 2024/2025 and for each subsequent Fiscal Year, the Board shall levy Annual Special Taxes on all Taxable Property in accordance with the following steps:

- Step One:** The Special Tax shall be levied on each Assessor's Parcel of Developed Property at the Assigned Annual Special Tax applicable to each such Assessor's Parcel.
- Step Two:** If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Approved Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

**Step Three:** If additional moneys are needed to satisfy the Special Tax Requirement after the second step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

**Step Four:** If additional moneys are needed to satisfy the Special Tax Requirement after the third step has been completed, the Special Tax on each Assessor's Parcel of Developed Property, for which the Maximum Special Tax is the Backup Annual Special Tax, shall be increased Proportionately from the Assigned Annual Special Tax up to 100% of the Backup Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

**Step Five:** If additional moneys are needed to satisfy the Special Tax Requirement after the fourth step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Undeveloped Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

## **SECTION H PREPAYMENT OF SPECIAL TAXES**

### **1. Special Tax Prepayment Times and Conditions**

The Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid, if there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel. An owner of an Assessor's Parcel intending to prepay the Special Tax shall provide the School District with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the Administrator shall determine the Prepayment Amount for such Assessor's Parcel and shall notify such owner of such Prepayment Amount.

### **2. Special Tax Prepayment Calculation**

The Prepayment Amount shall be calculated according to the following formula:

$$P = PVT - RFC + PAF$$

The terms above have the following meanings:

P	=	Prepayment Amount
PVT	=	Present Value of Taxes
RFC	=	Reserve Fund Credit
PAF	=	Prepayment Administrative Fees

**3. Special Tax Prepayment Procedures and Limitations**

The amount representing the Present Value of Taxes attributable to the prepayment less the Reserve Fund Credit attributable to the prepayment shall, prior to the issuance of Bonds, be deposited into a separate account held with the School District and disbursed in accordance with the Mitigation Agreement and after the issuance of Bonds be deposited into the applicable account or fund established under the trust agreement, indenture agreement or fiscal agent agreement and used to pay debt service or redeem Bonds. The amount representing the Prepayment Administrative Fees attributable to the prepayment shall be retained and deposited into the applicable account by the District.

With respect to any Assessor's Parcel for which the Special Tax is prepaid, the Board shall indicate in the records of the District that there has been a prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Special Tax obligation and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Special Tax shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Assigned Annual Special Taxes that may be levied on Taxable Property, net of Administrative Expenses and excluding Provisional Undeveloped Property, after such prepayment shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Administrator. Such determination shall include identifying all Assessor's Parcels that are expected to be classified as Exempt Property.

Notwithstanding the above, the ability to prepay the Special Tax obligation of an Assessor's Parcel may be suspended, by the Administrator, acting in his or her absolute and sole discretion for and on behalf of the District, without notice to the owners of property within the District for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the District to assist in the efficient preparation of the required bond market disclosure.

**SECTION I  
PARTIAL PREPAYMENT OF SPECIAL TAXES**

**1. Partial Prepayment Times and Conditions**

The Special Tax obligation for Assessor's Parcels of Taxable Property may be partially prepaid in increments of ten (10) Units, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcels at the time the Special Tax obligation would be partially prepaid. An owner of an Assessor's Parcel(s) intending to partially prepay the Special Tax shall provide the District with written notice of their intent to partially prepay. Within thirty (30) days of receipt of such written notice, the Administrator shall determine the Partial Prepayment Amount of such Assessor's Parcel and shall notify such owner of such Partial Prepayment Amount.

**2. Partial Prepayment Calculation**

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = PVT \times F - RFC + PAF$$

The terms above have the following meanings:

PP	=	the Partial Prepayment Amount
PVT	=	Present Value of Taxes
F	=	the percent by which the owner of the Assessor's Parcel is partially prepaying the Special Tax obligation
RFC	=	Reserve Fund Credit
PAF	=	Prepayment Administrative Fees

**3. Partial Prepayment Procedures and Limitations**

The amount representing the Present Value of Taxes attributable to the prepayment less the Reserve Fund Credit attributable to the prepayment shall, prior to the issuance of Bonds, be deposited into a separate account held with the School District and disbursed in accordance with the Mitigation Agreement and after the issuance of Bonds be deposited into the applicable account or fund established under the trust agreement or indenture agreement or fiscal agent agreement and used to pay debt service or redeem Bonds. The amount representing the Prepayment Administrative Fees attributable to the prepayment shall be retained and deposited into the applicable account by the District.

With respect to any Assessor's Parcel for which the Special Tax obligation is partially prepaid, the Board shall indicate in the records of the District that there has been a partial prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the partial prepayment of the Special Tax obligation and the partial release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Special Tax shall cease. Additionally, the notice shall indicate that the Assigned Annual Special Tax and the Backup Annual Special Tax if applicable for the Assessor's Parcel has been reduced by an amount equal to the percentage which was partially prepaid.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Special Taxes that may be levied on Taxable Property, excluding Provisional Undeveloped Property, after such partial prepayment, and net of Administrative Expenses, shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such partial prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Administrator. Such determination shall include identifying all Assessor's Parcels that are expected to be classified as Exempt Property.

Notwithstanding the above, the ability to prepay the Annual Special Tax obligation of an Assessor's Parcel may be suspended, by the Administrator, acting in his or her absolute and sole discretion for and on behalf of the District, without notice to the owners of property within the District for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the District to assist in the efficient preparation of the required bond market disclosure.

## **SECTION J TERMINATION OF SPECIAL TAX**

The Special Tax shall be levied for a term of five (5) Fiscal Years after the final maturity of the last series of Bonds, provided that the Special Tax shall not be levied later than Fiscal Year 2066/2067. However, the Special Tax may cease to be levied in an earlier Fiscal Year if the Board has determined (i) that all required interest and principal payments on the Bonds have been paid, (ii) all authorized facilities of the District have been acquired and all reimbursements have been paid, and (iii) all other obligations of the District have been satisfied.

## **SECTION K EXEMPTIONS**

The Administrator shall classify as Exempt Property in the chronological order in which each Assessor Parcel becomes (i) owned by the State of California, federal or other local governments, (ii) used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) owned by a homeowners' association, (iv) burdened with a public or utility easements making impractical their utilization for other than the purposes set forth in the easement, or (v) any other Assessor's Parcels at the reasonable discretion of the Board, provided that no such classification would reduce the Net Taxable Acreage to less than the acres of Acreage listed in the table below ("Minimum Taxable Acreage").

Minimum Taxable Acreage
22,764.1

Notwithstanding the above, the Administrator or Board shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of the Acreage of all Taxable Property to less than the Minimum Taxable Acreage. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property to less than the Minimum Taxable Acreage will be classified as Provisional Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly.

## **SECTION L APPEALS**

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Administrator to be received by the Administrator not later than six (6) months after having paid the first installment of the Special Tax that is disputed. The reissuance or cancellation of a building permit is not an eligible reason for appeal. In order to be considered sufficient, any notice of appeal must (i) specifically identify the property by address and Assessor's Parcel Number, (ii) state the amount in dispute and whether it is the whole amount or only a portion of the Special Tax, (iii) state all grounds on which the property owner is disputing the amount or application of the Special Tax, including a reasonably detailed explanation as to why the amount or application of such Special Tax is incorrect, (iv) include all documentation, if any, in support of the claim, and (v) be verified under penalty of perjury by the person who paid the Special Tax or his or her guardian, executor or administrator. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) as the representative's decision shall indicate.

## **SECTION M MANNER OF COLLECTION**

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes and shall be subject to the same penalties, the same procedure, sale and lien priority in the case of delinquency; provided, however, that the District may directly bill all or a portion of the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial or contractual obligations, and if so collected, a delinquent penalty of ten percent (10%) of the Special Tax will attach at 5:00 p.m. on the date the Special Tax becomes delinquent and interest at 1.5% per month of the Special Tax will attach on the July 1 after the delinquency date and the first of each month thereafter until such Special Taxes are paid.

## **SECTION N ACCESSORY DWELLING UNITS (ADUS)**

The square footage of assessable internal living space associated with the construction of an ADU shall be assessed by the School District through the collection of the then current applicable statutory school fees (pursuant to Education Code Section 17620 and Government Code Section 65995) or alternative school fees (pursuant to Government Code Section 65995.5 and/or Section 65995.7) and shall not be included in the Building Square Footage calculated to determine the Land Use Class of an Assessor's Parcel of Developed Property.



**EXHIBIT A**

**CERTIFICATE TO AMEND SPECIAL TAX  
DISTRICT CERTIFICATE**

1. Pursuant to Section I of the Rate and Method of Apportionment of Improvement Area C of Community Facilities District No. 2016-1 of the Westside Union School District ("District") hereby approves a reduction in the Assigned Annual Special Tax for Developed Property, Provisional Undeveloped Property and Undeveloped Property within the District.
- a. The information in Table 1 relating to the Fiscal Year 2024/2025 Assigned Annual Special Tax for Developed Property within the District shall be modified as follows:

**Table 2**

**Fiscal Year 2024/2025  
Assigned Annual Special Taxes  
for Developed Property**

Land Use Class	Building Square Footage	Assigned Annual Special Tax
1	< 2,500 sq.ft	\$_____ per Unit
2	2,500 – 2,700 sq.ft	\$_____ per Unit
3	2,701 – 2,900 sq.ft	\$_____ per Unit
4	2,901 – 3,100 sq.ft	\$_____ per Unit
5	> 3,100 sq.ft	\$_____ per Unit

- b. The Fiscal Year 2024/2025 Assigned Annual Special Tax for each Assessor's Parcel of Provisional Undeveloped Property and Undeveloped Property, as adjusted annually pursuant to Section D.2 of the RMA shall be \$(\_\_\_\_\_) per acre. The Backup Annual Special Tax for Developed Property shall be recalculated pursuant to Section I. of the RMA based on the foregoing adjusted Assigned Annual Special Tax per Acre for Undeveloped Property.

Date: \_\_\_\_\_, 20\_\_\_\_

By: \_\_\_\_\_  
Administrator

**EXHIBIT B-2**

**AMENDED RATE AND METHOD OF APPORTIONMENT OF  
IMPROVEMENT AREA D**

**[Attached]**

**FIRST AMENDED  
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES OF  
IMPROVEMENT AREA D OF  
COMMUNITY FACILITIES DISTRICT NO. 2016-1 OF  
THE WESTSIDE UNION SCHOOL DISTRICT**

A Special Tax, as defined herein, shall be levied on and collected from all Assessor's Parcels in Improvement Area D of Community Facilities District No. 2016-1 of the Westside Union School District each Fiscal Year, as defined herein, commencing in Fiscal Year 2024/2025, in an amount determined by the Board through the application of the Rate and Method of Apportionment of Special Taxes ("RMA"), as defined herein, described below. All the real property within the District, unless exempted by law or by provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

**SECTION A  
DEFINITIONS**

For purposes of this RMA, the terms hereinafter set forth have the following meanings:

**"Acreage"** means the number of acres of land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the Administrator may rely on the land area shown on the applicable Final Map.

**"Act"** means the Mello-Ross Communities Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

**"Administrative Expenses"** means any ordinary and necessary expense incurred by the School District on behalf of the District related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes, including, but not limited to, the reasonable expenses of collecting delinquencies, the administration of Bonds, the proportionate payment of salaries and benefits of any School District employee whose duties are directly related to the administration of the District, and reasonable costs otherwise incurred in order to carry out the authorized purposes of the District including, but not limited to, a proportionate amount of School District general administrative overhead related thereto.

**"Administrator"** means an official of the School District or designee thereof, responsible for determining the levy and collection of the Special Taxes.

**"ADU"** means an Accessory Dwelling Unit as defined in California Government Code Section 65852.2 and 65852.22.

**"Annual Special Tax"** means the Special Tax levied in any Fiscal Year on any Assessor's Parcel.

**"Approved Property"** means all Assessor's Parcels of Taxable Property that (i) are associated with a Lot in a Final Map that was recorded prior to the January 1 preceding the Fiscal Year in which the Special Tax is being levied and (ii) have not been issued a building permit on or before the May 1 preceding the Fiscal Year in which the Special Tax is being levied.

**"Assessor's Parcel"** means a parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of the District.

**"Assessor's Parcel Map"** means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

**"Assessor's Parcel Number"** means that number assigned to an Assessor's Parcel by the County for purposes of identification.

**"Assigned Annual Special Tax"** means the Special Tax of that name described in Section D hereof.

**"Backup Annual Special Tax"** means the Special Tax of that name described in Section E hereof.

**"Board"** means the Governing Board (Board of Education) of the School District, or its designee(s), acting as the Legislative Body of the District.

**"Bond Index"** means the national Bond Buyer Revenue Index, commonly referenced as the 25-Bond Revenue Index. In the event the Bond Index ceases to be published, the index used shall be based on a comparable index for revenue bonds maturing in 30 years with an average rating equivalent to Moody's A1 and/or Standard & Poor's A+, as determined by the Board.

**"Bond Yield"** means the yield of the last series of Bonds issued. For purposes of this calculation the yield of the Bonds shall be the yield calculated at the time such Bonds are issued, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, for the purpose of the Non-Arbitrage (Tax) Certificate or other similar bond issuance document.

**"Bonds"** means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which the Special Taxes have been pledged for repayment.

**"Building Square Footage" or "BSF"** means the assessable square footage within the perimeter of a residential structure, not including any carport, covered or uncovered walkway, garage, overhang, patio, enclosed patio, detached accessory structure, or similar area for such Unit.

**"City"** means the City of Palmdale, California.

**"County"** means the County of Los Angeles, California.

**"Developed Property"** means all Assessor's Parcels of Taxable Property for which building permit(s) were issued on or before May 1 of the prior Fiscal Year, provided that such Assessor's Parcels were created on or before January 1 of the prior Fiscal Year, as reasonably determined by the Administrator.

**"District"** means Improvement Area D of Community Facilities District No. 2016-1 of the School District.

**"Exempt Property"** means all Assessor's Parcels designated as being exempt from Special Taxes pursuant to Section K hereof.

**"Final Map"** means a final tract map, parcel map, condominium map lot line adjustment, or functionally equivalent map or instrument that creates individual Lots, recorded in the Office of the County Recorder.

**"Fiscal Year"** means the period commencing on July 1 of any year and ending on the following June 30.

**"Land Use Class or Classes"** means the tax classifications depicted in Table 1 for all Units on an Assessor's Parcel of Developed Property based on the Building Square Footage of such Unit.

**"Lot"** means an individual legal lot created by a Final Map for which a building permit for residential construction has been or could be issued

**"Maximum Special Tax"** means for each Assessor's Parcel, the maximum Special Tax, determined in accordance with Section C, which can be levied by the District in a given Fiscal Year on such Assessor's Parcel.

**"Net Taxable Acreage"** means the total Acreage of Developed Property expected to exist within the District after all Final Maps are recorded.

**"Partial Prepayment Amount"** means the amount required to prepay a portion of the Special Tax obligation for an Assessor's Parcel as described in Section I hereof.

**"Prepayment Administrative Fees"** means any fees or expenses of the School District or the District associated with the prepayment of the Special Tax obligation of an Assessor's Parcel. Prepayment Administrative Fees shall include, among other things, the cost of computing the Prepayment Amount, redeeming Bonds, and recording or filing of any notices to evidence such prepayment and any associated or resulting redemption of Bonds.

**"Prepayment Amount"** means the amount required to prepay the Special Tax obligation in full for an Assessor's Parcel as described in Section II hereof.

**"Present Value of Taxes"** means for any Assessor's Parcel the present value of (i) the unpaid portion, if any, of the Annual Special Tax applicable to such Assessor's Parcel in the current Fiscal Year and (ii) the Special Taxes expected to be levied on such Assessor's Parcel in each remaining Fiscal Year, as determined by the Administrator, until the termination date specified in Section J, but in no event longer than 35 Fiscal Years. The discount rate used for this calculation shall be equal to (a) the Bond Yield after Bond issuance or (b) the most recently published Bond Index prior to Bond issuance.

**"Proportionately"** means that the ratio of the actual Annual Special Tax levy to the applicable Assigned Annual Special Tax is equal for all applicable Assessor's Parcels. In the case of Developed Property subject to apportionment of the Annual Special Tax under Step Four of Section G, "Proportionately" shall mean that the quotient of (i) the Annual Special Tax less the Assigned Annual Special Tax divided by (ii) the Backup Annual Special Tax less the Assigned Annual Special Tax is equal for all applicable Assessor's Parcels.

**"Provisional Undeveloped Property"** means all Assessor's Parcels of Taxable Property that would otherwise be classified as Exempt Property pursuant to Section K but cannot be classified as Exempt Property because to do so would reduce the Net Taxable Acreage below the required minimum Acreage set forth in Section K.

**"Reserve Fund Credit"** means an amount equal to the lesser of (i) the reduction in the applicable reserve fund requirement(s) resulting from the redemption of Bonds with the Prepayment Amount or (ii) ten percent (10%) of the amount of Bonds which will be redeemed. If a surety bond or other credit instrument satisfies the reserve requirement or the reserve requirement is underfunded at the time of the prepayment, no Reserve Fund Credit shall be given.

**"School District"** means the Westside Union School District, a public school district organized and operating pursuant to the Constitution and laws of the State of California.

**"Special Tax"** means any of the special taxes authorized to be levied by the District pursuant to the Act and this RMA.

**"Special Tax Requirement"** means the amount required in any Fiscal Year to pay (i) the debt service or the periodic costs on all outstanding Bonds, (ii) Administrative Expenses, (iii) the costs associated with the release of funds from an escrow account or accounts established in association with the Bonds, (iv) any amount required to establish or replenish any reserve funds (or accounts thereof) established in association with the Bonds, and (v) the collection or accumulation of funds for the acquisition or construction of eligible facilities and certain costs associated with the maintenance and operations of school facilities authorized by the District provided that the inclusion of such amount does not cause an increase in the levy of Special Tax on Approved Property, Undeveloped Property or Provisional Undeveloped Property as set forth in Steps Two through Four of Section G, less (vi) any amount(s) available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, trust agreement, or equivalent agreement or document. In arriving at the Special Tax Requirement, the Administrator shall take into account the reasonably anticipated delinquent Special Taxes, provided that the amount included cannot cause the Annual Special Tax of an Assessor Parcel of Developed Property to increase by greater than ten percent (10%) of what would have otherwise been levied.

**"Taxable Property"** means all Assessor's Parcels which are not classified as Exempt Property.

**"Undeveloped Property"** means all Assessor's Parcels of Taxable Property which are not classified as Developed Property.

**"Unit"** means each separate residential dwelling unit, including but not limited to, a single family attached or detached unit, condominium, an apartment unit, mobile home, or otherwise, excluding ADUs, hotels and motels.

## SECTION B CLASSIFICATION OF ASSESSOR'S PARCELS

Each Fiscal Year, commencing with Fiscal Year 2024/2025, all Assessor's Parcels shall be classified as either Taxable Property or Exempt Property. In addition, each Assessor's Parcel of Taxable Property shall be further classified as Developed Property, Approved Property, Undeveloped Property or Provisional Undeveloped Property. Each Unit on an Assessor's Parcel of Developed Property shall be assigned to a Land Use Class, according to Table 1 below, based on the Building Square Footage of each Unit.

**Table 1**  
**Land Use Classification**

Land Use Class	Building Square Footage
1	< 2,500 sq.ft
2	2,500 – 2,700 sq.ft
3	2,701 – 2,900 sq.ft
4	2,901 – 3,100 sq.ft
5	> 3,100 sq.ft

## SECTION C MAXIMUM SPECIAL TAX

### 1. Developed Property

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of the amount derived by the application of the (a) Assigned Annual Special Tax or (b) Backup Annual Special Tax.

### 2. Approved Property

The Maximum Special Tax for each Assessor's Parcel classified as Approved Property shall be derived by the application of the Assigned Annual Special Tax.

### 3. Undeveloped Property and Provisional Undeveloped Property

The Maximum Special Tax for each Assessor's Parcel classified as Undeveloped Property or Provisional Undeveloped Property shall be derived by the application of the Assigned Annual Special Tax.





## SECTION D ASSIGNED ANNUAL SPECIAL TAXES

### 1. Developed Property

The Assigned Annual Special Tax for each Assessor's Parcel of Developed Property will be determined in accordance with Table 2 below, subject to increases as described below.

**Table 2**  
**Fiscal Year 2024/2025**  
**Assigned Annual Special Taxes**

Land Use Class	Building Square Footage	Assigned Annual Special Tax
1	< 2,500 sq.ft	\$2,326.00 per Unit
2	2,500 – 2,700 sq.ft	\$2,548.00 per Unit
3	2,701 – 2,900 sq.ft	\$2,770.00 per Unit
4	2,901 – 3,100 sq.ft	\$2,931.00 per Unit
5	> 3,100 sq.ft	\$3,092.00 per Unit

### 2. Approved Property, Undeveloped Property, and Provisional Undeveloped Property

The Assigned Annual Special Tax for each Assessor's Parcel of Approved Property, Undeveloped Property or Provisional Undeveloped Property in Fiscal Year 2024/2025 shall be \$7,586.24 per acre of Acreage.

### 3. Increases in the Assigned Annual Special Tax

#### a. Developed Property

On each July 1, commencing July 1, 2025, the Assigned Annual Special Tax applicable to Developed Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

#### b. Approved Property, Undeveloped Property, and Provisional Undeveloped Property

On each July 1, commencing July 1, 2025, the Assigned Annual Special Tax per acre of Acreage for Approved Property, Undeveloped Property and Provisional Undeveloped Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

## SECTION E BACKUP ANNUAL SPECIAL TAX

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to a Backup Annual Special Tax.

### 1. Calculation of the Backup Annual Special Tax

The Backup Annual Special Tax for an Assessor's Parcel of Developed Property within a Final Map shall be the rate per Lot calculated in accordance with the following formula in Fiscal Year 2024/2025 or such later Fiscal Year in which such Final Map is created, subject to increases as described below:

$$B = (U \times A) / L$$

The terms above have the following meanings:

- |   |   |  |
|---|---|--|
| B | = | Backup Annual Special Tax per Lot for the applicable Final Map   |
| U | = | Assigned Annual Special Tax per Acre of Undeveloped Property in the Fiscal Year the calculation is performed                       |
| A | = | Acreage of Taxable Property expected to exist within such Final Map at the time of calculation, as determined by the Administrator |
| L | = | Number of Lots within the applicable Final Map at the time of calculation  |

### 2. Changes to a Final Map

If the Final Map(s) described in the preceding paragraph are subsequently changed or modified, then the Backup Annual Special Tax for each Assessor's Parcel of Developed Property changed or modified in each such Final Map shall be a rate per square foot of Acreage calculated as follows:

- a. Determine the total Backup Annual Special Tax revenue anticipated to apply to the changed or modified Assessor's Parcels prior to the change or modification.
- b. The result of paragraph a. above shall be divided by the Acreage of Taxable Property of the modified Assessor's Parcels, as reasonably determined by the Administrator.
- c. The result of paragraph b. above shall be divided by 43,560. The result is the Backup Annual Special Tax per square foot of Acreage that shall be applicable to the modified Assessor's Parcels, subject to increases as described below.

**3. Increase in the Backup Annual Special Tax**

Each July 1, commencing the July 1 following the initial calculation of the Backup Annual Special Tax for Developed Property within a Final Map, the Backup Annual Special Tax for each LMA within such Final Map shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

**SECTION F  
REDUCTION OF THE SPECIAL TAX  
PRIOR TO BOND SALE**

Prior to the issuance of the first series of Bonds, the Maximum Special Tax and Assigned Annual Special Tax on Taxable Property may be reduced in accordance with, and subject to, the conditions set forth in this Section F and the terms of the Mitigation Agreement without the need for any proceedings to make changes as permitted or required under the Act.

Prior to the issuance of the first series of Bonds the Administrator may review information regarding the current and expected value of residential units within the District and prepare an analysis estimating the total property tax burden of completed homes within the District. The Maximum Special Tax and Assigned Annual Special Tax on Taxable Property may be reduced with the written consent of the Administrator to a level such that the resulting estimated total property tax rate does not exceed 2% of the current and expected value of the residential units within the District.

With respect to any Assessor's Parcel for which the Special Tax is reduced, the Board shall indicate in the records of the District that there has been a reduction of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the reduction of the Special Tax obligation by executing a certificate in substantially the form attached herein as Exhibit A.

**SECTION G  
METHOD OF APPORTIONMENT  
OF THE ANNUAL SPECIAL TAX**

Commencing Fiscal Year 2024/2025 and for each subsequent Fiscal Year, the Board shall levy Annual Special Taxes on all Taxable Property in accordance with the following steps:

- Step One:** The Special Tax shall be levied on each Assessor's Parcel of Developed Property at the Assigned Annual Special Tax applicable to each such Assessor's Parcel.
- Step Two:** If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Approved Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

- Step Three:** If additional moneys are needed to satisfy the Special Tax Requirement after the second step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
- Step Four:** If additional moneys are needed to satisfy the Special Tax Requirement after the third step has been completed, the Special Tax on each Assessor's Parcel of Developed Property, for which the Maximum Special Tax is the Backup Annual Special Tax, shall be increased Proportionately from the Assigned Annual Special Tax up to 100% of the Backup Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
- Step Five:** If additional moneys are needed to satisfy the Special Tax Requirement after the fourth step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Undeveloped Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

## SECTION H PREPAYMENT OF SPECIAL TAXES

### 1. Special Tax Prepayment Times and Conditions

The Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid, if there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel. An owner of an Assessor's Parcel intending to prepay the Special Tax shall provide the School District with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the Administrator shall determine the Prepayment Amount for such Assessor's Parcel and shall notify such owner of such Prepayment Amount.

### 2. Special Tax Prepayment Calculation

The Prepayment Amount shall be calculated according to the following formula:

$$P = PVT - RFC + PAF$$

The terms above have the following meanings:

P	=	Prepayment Amount
PVT	=	Present Value of Taxes
RFC	=	Reserve Fund Credit
PAF	=	Prepayment Administrative Fees

**3. Special Tax Prepayment Procedures and Limitations**

The amount representing the Present Value of Taxes attributable to the prepayment less the Reserve Fund Credit attributable to the prepayment shall, prior to the issuance of Bonds, be deposited into a separate account held with the School District and disbursed in accordance with the Mitigation Agreement and after the issuance of Bonds be deposited into the applicable account or fund established under the trust agreement, indenture agreement or fiscal agent agreement and used to pay debt service or redeem Bonds. The amount representing the Prepayment Administrative Fees attributable to the prepayment shall be retained and deposited into the applicable account by the District.

With respect to any Assessor's Parcel for which the Special Tax is prepaid, the Board shall indicate in the records of the District that there has been a prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Special Tax obligation and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Special Tax shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Assigned Annual Special Taxes that may be levied on Taxable Property, net of Administrative Expenses and excluding Provisional Undeveloped Property, after such prepayment shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Administrator. Such determination shall include identifying all Assessor's Parcels that are expected to be classified as Exempt Property.

Notwithstanding the above, the ability to prepay the Special Tax obligation of an Assessor's Parcel may be suspended, by the Administrator, acting in his or her absolute and sole discretion for and on behalf of the District, without notice to the owners of property within the District for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the District to assist in the efficient preparation of the required bond market disclosure.

**SECTION I  
PARTIAL PREPAYMENT OF SPECIAL TAXES**

**1. Partial Prepayment Times and Conditions**

The Special Tax obligation for Assessor's Parcels of Taxable Property may be partially prepaid in increments of ten (10) Units, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcels at the time the Special Tax obligation would be partially prepaid. An owner of an Assessor's Parcel(s) intending to partially prepay the Special Tax shall provide the District with written notice of their intent to partially prepay. Within thirty (30) days of receipt of such written notice, the Administrator shall determine the Partial Prepayment Amount of such Assessor's Parcel and shall notify such owner of such Partial Prepayment Amount.

2. **Partial Prepayment Calculation**

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = PVT \times F - RFC + PAF$$

The terms above have the following meanings:

PP	=	the Partial Prepayment Amount
PVT	=	Present Value of Taxes
F	=	the percent by which the owner of the Assessor's Parcel is partially prepaying the Special Tax obligation
RFC	=	Reserve Fund Credit
PAF	=	Prepayment Administrative Fees

3. **Partial Prepayment Procedures and Limitations**

The amount representing the Present Value of Taxes attributable to the prepayment less the Reserve Fund Credit attributable to the prepayment shall, prior to the issuance of Bonds, be deposited into a separate account held with the School District and disbursed in accordance with the Mitigation Agreement and after the issuance of Bonds be deposited into the applicable account or fund established under the trust agreement or indenture agreement or fiscal agent agreement and used to pay debt service or redeem Bonds. The amount representing the Prepayment Administrative Fees attributable to the prepayment shall be retained and deposited into the applicable account by the District.

With respect to any Assessor's Parcel for which the Special Tax obligation is partially prepaid, the Board shall indicate in the records of the District that there has been a partial prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the partial prepayment of the Special Tax obligation and the partial release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Special Tax shall cease. Additionally, the notice shall indicate that the Assigned Annual Special Tax and the Backup Annual Special Tax if applicable for the Assessor's Parcel has been reduced by an amount equal to the percentage which was partially prepaid.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Special Taxes that may be levied on Taxable Property, excluding Provisional Undeveloped Property, after such partial prepayment, and net of Administrative Expenses, shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such partial prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Administrator. Such determination shall include identifying all Assessor's Parcels that are expected to be classified as Exempt Property.

Notwithstanding the above, the ability to prepay the Annual Special Tax obligation of an Assessor's Parcel may be suspended, by the Administrator, acting in his or her absolute and sole discretion for and on behalf of the District, without notice to the owners of property within the District for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the District to assist in the efficient preparation of the required bond market disclosure

## **SECTION J TERMINATION OF SPECIAL TAX**

The Special Tax shall be levied for a term of five (5) Fiscal Years after the final maturity of the last series of Bonds, provided that the Special Tax shall not be levied later than Fiscal Year 2066/2067. However, the Special Tax may cease to be levied in an earlier Fiscal Year if the Board has determined (i) that all required interest and principal payments on the Bonds have been paid, (ii) all authorized facilities of the District have been acquired and all reimbursements have been paid, and (iii) all other obligations of the District have been satisfied.

## **SECTION K EXEMPTIONS**

The Administrator shall classify as Exempt Property in the chronological order in which each Assessor Parcel becomes (i) owned by the State of California, federal or other local governments, (ii) used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) owned by a homeowners' association, (iv) burdened with a public or utility easements making impractical their utilization for other than the purposes set forth in the easement, or (v) any other Assessor's Parcels at the reasonable discretion of the Board, provided that no such classification would reduce the Net Taxable Acreage to less than the acres of Acreage listed in the table below ("Minimum Taxable Acreage").

Minimum Taxable Acreage
18.5101

Notwithstanding the above, the Administrator or Board shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of the Acreage of all Taxable Property to less than the Minimum Taxable Acreage. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property to less than the Minimum Taxable Acreage will be classified as Provisional Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly.



## **SECTION L APPEALS**

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Administrator to be received by the Administrator not later than six (6) months after having paid the first installment of the Special Tax that is disputed. The reissuance or cancellation of a building permit is not an eligible reason for appeal. In order to be considered sufficient, any notice of appeal must (i) specifically identify the property by address and Assessor's Parcel Number, (ii) state the amount in dispute and whether it is the whole amount or only a portion of the Special Tax, (iii) state all grounds on which the property owner is disputing the amount or application of the Special Tax, including a reasonably detailed explanation as to why the amount or application of such Special Tax is incorrect, (iv) include all documentation, if any, in support of the claim, and (v) be verified under penalty of perjury by the person who paid the Special Tax or his or her guardian, executor or administrator. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) as the representative's decision shall indicate.

## **SECTION M MANNER OF COLLECTION**

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes and shall be subject to the same penalties, the same procedure, sale and lien priority in the case of delinquency; provided, however, that the District may directly bill all or a portion of the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial or contractual obligations, and if so collected, a delinquent penalty of ten percent (10%) of the Special Tax will attach at 5:00 p.m. on the date the Special Tax becomes delinquent and interest at 1.5% per month of the Special Tax will attach on the July 1 after the delinquency date and the first of each month thereafter until such Special Taxes are paid.

## **SECTION N ACCESSORY DWELLING UNITS (ADUS)**

The square footage of assessable internal living space associated with the construction of an ADU shall be assessed by the School District through the collection of the then current applicable statutory school fees (pursuant to Education Code Section 17620 and Government Code Section 65995) or alternative school fees (pursuant to Government Code Section 65995.5 and/or Section 65995.7) and shall not be included in the Building Square Footage calculated to determine the Land Use Class of an Assessor's Parcel of Developed Property.

**EXHIBIT A**

**CERTIFICATE TO AMEND SPECIAL TAX  
DISTRICT CERTIFICATE**

1. Pursuant to Section F of the Rate and Method of Apportionment of Improvement Area D of Community Facilities District No. 2016-1 of the Westside Union School District ("District") hereby approves a reduction in the Assigned Annual Special Tax for Developed Property, Provisional Undeveloped Property and Undeveloped Property within the District.
  - a. The information in Table 1 relating to the Fiscal Year 2024/2025 Assigned Annual Special Tax for Developed Property within the District shall be modified as follows:

**Table 2**

**Fiscal Year 2024/2025  
Assigned Annual Special Taxes  
for Developed Property**

Land Use Class	Building Square Footage	Assigned Annual Special Tax
1	< 2,500 sq.ft	\$_____ per Unit
2	2,500 – 2,700 sq.ft	\$_____ per Unit
3	2,701 – 2,900 sq.ft	\$_____ per Unit
4	2,901 – 3,100 sq.ft	\$_____ per Unit
5	> 3,100 sq.ft	\$_____ per Unit

- b. The Fiscal Year 2024/2025 Assigned Annual Special Tax for each Assessor's Parcel of Provisional Undeveloped Property and Undeveloped Property, as adjusted annually pursuant to Section D.2 of the RMA shall be \$[\_\_\_\_\_] per acre. The Backup Annual Special Tax for Developed Property shall be recalculated pursuant to Section E. of the RMA based on the foregoing adjusted Assigned Annual Special Tax per Acre for Undeveloped Property.

Date: \_\_\_\_\_, 20\_\_

By: \_\_\_\_\_  
Administrator

**EXHIBIT B-3**

**AMENDED RATE AND METHOD OF APPORTIONMENT OF  
IMPROVEMENT AREA E**

**[Attached]**

**FIRST AMENDED  
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES OF  
IMPROVEMENT AREA E OF  
COMMUNITY FACILITIES DISTRICT NO. 2016-1 OF  
THE WESTSIDE UNION SCHOOL DISTRICT**

A Special Tax, as defined herein, shall be levied on and collected from all Assessor's Parcels in Improvement Area E of Community Facilities District No. 2016-1 of the Westside Union School District each Fiscal Year, as defined herein, commencing in Fiscal Year 2024/2025, in an amount determined by the Board through the application of the Rate and Method of Apportionment of Special Taxes ("RNA"), as defined herein, described below. All the real property within the District, unless exempted by law or by provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

**SECTION A  
DEFINITIONS**

For purposes of this RNA, the terms hereinafter set forth have the following meanings:

**"Acreage"** means the number of acres of land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the Administrator may rely on the land area shown on the applicable Final Map.

**"Act"** means the Mello-Roos Communities Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

**"Administrative Expenses"** means any ordinary and necessary expense incurred by the School District on behalf of the District related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes, including, but not limited to, the reasonable expenses of collecting delinquencies, the administration of Bonds, the proportionate payment of salaries and benefits of any School District employee whose duties are directly related to the administration of the District, and reasonable costs otherwise incurred in order to carry out the authorized purposes of the District including, but not limited to, a proportionate amount of School District general administrative overhead related thereto.

**"Administrator"** means an official of the School District or designee thereof, responsible for determining the levy and collection of the Special Taxes.

**"ADU"** means an Accessory Dwelling Unit as defined in California Government Code Section 65852.2 and 65852.22

**"Annual Special Tax"** means the Special Tax levied in any Fiscal Year on any Assessor's Parcel.

**"Approved Property"** means all Assessor's Parcels of Taxable Property that (i) are associated with a Lot in a Final Map that was recorded prior to the January 1 preceding the Fiscal Year in which the Special Tax is being levied and (ii) have not been issued a building permit on or before the May 1 preceding the Fiscal Year in which the Special Tax is being levied.

**"Assessor's Parcel"** means a parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of the District.

**"Assessor's Parcel Map"** means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

**"Assessor's Parcel Number"** means that number assigned to an Assessor's Parcel by the County for purposes of identification.

**"Assigned Annual Special Tax"** means the Special Tax of that name described in Section D hereof.

**"Backup Annual Special Tax"** means the Special Tax of that name described in Section E hereof.

**"Board"** means the Governing Board (Board of Education) of the School District, or its designee(s), acting as the Legislative Body of the District.

**"Bond Index"** means the national Bond Buyer Revenue Index, commonly referenced as the 25-Bond Revenue Index. In the event the Bond Index ceases to be published, the index used shall be based on a comparable index for revenue bonds maturing in 30 years with an average rating equivalent to Moody's A1 and/or Standard & Poor's A+, as determined by the Board.

**"Bond Yield"** means the yield of the last series of Bonds issued. For purposes of this calculation the yield of the Bonds shall be the yield calculated at the time such Bonds are issued, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, for the purpose of the Non-Arbitrage (Tax) Certificate or other similar bond issuance document.

**"Bonds"** means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which the Special Taxes have been pledged for repayment.

**"Building Square Footage" or "BSF"** means the assessable square footage within the perimeter of a residential structure, not including any carport, covered or uncovered walkway, garage, overhang, patio, enclosed patio, detached accessory structure, or similar area for such Unit.

**"City"** means the City of Palmdale, California.

**"County"** means the County of Los Angeles, California.

**"Developed Property"** means all Assessor's Parcels of Taxable Property for which building permit(s) were issued on or before May 1 of the prior Fiscal Year, provided that such Assessor's Parcels were created on or before January 1 of the prior Fiscal Year, as reasonably determined by the Administrator.

**"District"** means Improvement Area I. of Community Facilities District No. 2016-1 of the School District.

**"Exempt Property"** means all Assessor's Parcels designated as being exempt from Special Taxes pursuant to Section K hereof.

**"Final Map"** means a final tract map, parcel map, condominium map lot line adjustment, or functionally equivalent map or instrument that creates individual Lots, recorded in the Office of the County Recorder.

**"Fiscal Year"** means the period commencing on July 1 of any year and ending on the following June 30.

**"Land Use Class or Classes"** means the tax classifications depicted in Table 1 for all Units on an Assessor's Parcel of Developed Property based on the Building Square Footage of such Unit.

**"Lot"** means an individual legal lot created by a Final Map for which a building permit for residential construction has been or could be issued.

**"Maximum Special Tax"** means for each Assessor's Parcel, the maximum Special Tax, determined in accordance with Section C, which can be levied by the District in a given Fiscal Year on such Assessor's Parcel.

**"Net Taxable Acreage"** means the total Acreage of Developed Property expected to exist within the District after all Final Maps are recorded.

**"Partial Prepayment Amount"** means the amount required to prepay a portion of the Special Tax obligation for an Assessor's Parcel as described in Section I hereof.

**"Prepayment Administrative Fees"** means any fees or expenses of the School District or the District associated with the prepayment of the Special Tax obligation of an Assessor's Parcel. Prepayment Administrative Fees shall include, among other things, the cost of computing the Prepayment Amount, redeeming Bonds, and recording or filing of any notices to evidence such prepayment and any associated or resulting redemption of Bonds.

**"Prepayment Amount"** means the amount required to prepay the Special Tax obligation in full for an Assessor's Parcel as described in Section II hereof.

**"Present Value of Taxes"** means for any Assessor's Parcel the present value of (i) the unpaid portion, if any, of the Annual Special Tax applicable to such Assessor's Parcel in the current Fiscal Year and (ii) the Special Taxes expected to be levied on such Assessor's Parcel in each remaining Fiscal Year, as determined by the Administrator, until the termination date specified in Section J, but in no event longer than 35 Fiscal Years. The discount rate used for this calculation shall be equal to (a) the Bond Yield after Bond issuance or (b) the most recently published Bond Index prior to Bond issuance.

**"Proportionately"** means that the ratio of the actual Annual Special Tax levy to the applicable Assigned Annual Special Tax is equal for all applicable Assessor's Parcels. In the case of Developed Property subject to apportionment of the Annual Special Tax under Step Four of Section G, "Proportionately" shall mean that the quotient of (i) the Annual Special Tax less the Assigned Annual Special Tax divided by (ii) the Backup Annual Special Tax less the Assigned Annual Special Tax is equal for all applicable Assessor's Parcels.

**"Provisional Undeveloped Property"** means all Assessor's Parcels of Taxable Property that would otherwise be classified as Exempt Property pursuant to Section K but cannot be classified as Exempt Property because to do so would reduce the Net Taxable Acreage below the required minimum Acreage set forth in Section K.

**"Reserve Fund Credit"** means an amount equal to the lesser of (i) the reduction in the applicable reserve fund requirement(s) resulting from the redemption of Bonds with the Prepayment Amount or (ii) ten percent (10%) of the amount of Bonds which will be redeemed. If a surety bond or other credit instrument satisfies the reserve requirement or the reserve requirement is underfunded at the time of the prepayment, no Reserve Fund Credit shall be given.

**"School District"** means the Westside Union School District, a public school district organized and operating pursuant to the Constitution and laws of the State of California.

**"Special Tax"** means any of the special taxes authorized to be levied by the District pursuant to the Act and this RMA.

**"Special Tax Requirement"** means the amount required in any Fiscal Year to pay (i) the debt service or the periodic costs on all outstanding Bonds, (ii) Administrative Expenses, (iii) the costs associated with the release of funds from an escrow account or accounts established in association with the Bonds, (iv) any amount required to establish or replenish any reserve funds (or accounts thereof) established in association with the Bonds, and (v) the collection or accumulation of funds for the acquisition or construction of eligible facilities and certain costs associated with the maintenance and operations of school facilities authorized by the District provided that the inclusion of such amount does not cause an increase in the levy of Special Tax on Approved Property, Undeveloped Property or Provisional Undeveloped Property as set forth in Steps Two through Four of Section G, less (vi) any amount(s) available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, trust agreement, or equivalent agreement or document. In arriving at the Special Tax Requirement, the Administrator shall take into account the reasonably anticipated delinquent Special Taxes, provided that the amount included cannot cause the Annual Special Tax of an Assessor Parcel of Developed Property to increase by greater than ten percent (10%) of what would have otherwise been levied.

**"Taxable Property"** means all Assessor's Parcels which are not classified as Exempt Property.

**"Undeveloped Property"** means all Assessor's Parcels of Taxable Property which are not classified as Developed Property.

**"Unit"** means each separate residential dwelling unit, including but not limited to, a single family attached or detached unit, condominium, an apartment unit, mobile home, or otherwise, excluding ADU's, hotels and motels.

## SECTION B CLASSIFICATION OF ASSESSOR'S PARCELS

Each Fiscal Year, commencing with Fiscal Year 2024/2025, all Assessor's Parcels shall be classified as either Taxable Property or Exempt Property. In addition, each Assessor's Parcel of Taxable Property shall be further classified as Developed Property, Approved Property, Undeveloped Property or Provisional Undeveloped Property. Each Unit on an Assessor's Parcel of Developed Property shall be assigned to a Land Use Class, according to Table 1 below, based on the Building Square Footage of each Unit.

**Table 1**

**Land Use Classification**

Land Use Class	Building Square Footage
1	< 2,500 sq ft
2	2,500 – 2,700 sq ft
3	2,701 – 2,900 sq ft
4	2,901 – 3,100 sq ft
5	> 3,100 sq ft

## SECTION C MAXIMUM SPECIAL TAX

### 1. Developed Property

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of the amount derived by the application of the (a) Assigned Annual Special Tax or (b) Backup Annual Special Tax.

### 2. Approved Property

The Maximum Special Tax for each Assessor's Parcel classified as Approved Property shall be derived by the application of the Assigned Annual Special Tax.

### 3. Undeveloped Property and Provisional Undeveloped Property

The Maximum Special Tax for each Assessor's Parcel classified as Undeveloped Property or Provisional Undeveloped Property shall be derived by the application of the Assigned Annual Special Tax.



## SECTION D ASSIGNED ANNUAL SPECIAL TAXES

### 1. Developed Property

The Assigned Annual Special Tax for each Assessor's Parcel of Developed Property will be determined in accordance with Table 2 below, subject to increases as described below.

**Table 2**  
**Fiscal Year 2024/2025**  
**Assigned Annual Special Taxes**

Land Use Class	Building Square Footage	Assigned Annual Special Tax
1	< 2,500 sq.ft	\$2,556.00 per Unit
2	2,500 – 2,700 sq.ft	\$2,790.00 per Unit
3	2,701 – 2,900 sq.ft	\$3,024.00 per Unit
4	2,901 – 3,100 sq.ft	\$3,194.00 per Unit
5	> 3,100 sq.ft	\$3,364.00 per Unit

### 2. Approved Property, Undeveloped Property, and Provisional Undeveloped Property

The Assigned Annual Special Tax for each Assessor's Parcel of Approved Property, Undeveloped Property or Provisional Undeveloped Property in Fiscal Year 2024/2025 shall be \$9,555.05 per acre of Acreage.

### 3. Increases in the Assigned Annual Special Tax

#### a. Developed Property

On each July 1, commencing July 1, 2025, the Assigned Annual Special Tax applicable to Developed Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

#### b. Approved Property, Undeveloped Property, and Provisional Undeveloped Property

On each July 1, commencing July 1, 2025, the Assigned Annual Special Tax per acre of Acreage for Approved Property, Undeveloped Property and Provisional Undeveloped Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

## SECTION E BACKUP ANNUAL SPECIAL TAX

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to a Backup Annual Special Tax.

### 1. Calculation of the Backup Annual Special Tax.

The Backup Annual Special Tax for an Assessor's Parcel of Developed Property within a Final Map shall be the rate per Lot calculated in accordance with the following formula in Fiscal Year 2024/2025 or such later Fiscal Year in which such Final Map is created, subject to increases as described below:

$$B = (U \times A) / L$$

The terms above have the following meanings:

- |   |   |  |
|---|---|--|
| B | = | Backup Annual Special Tax per Lot for the applicable Final Map   |
| U | = | Assigned Annual Special Tax per Acre of Undeveloped Property in the Fiscal Year the calculation is performed                       |
| A | = | Acreage of Taxable Property expected to exist within such Final Map at the time of calculation, as determined by the Administrator |
| L | = | Number of Lots within the applicable Final Map at the time of calculation  |

### 2. Changes to a Final Map

If the Final Map(s) described in the preceding paragraph are subsequently changed or modified, then the Backup Annual Special Tax for each Assessor's Parcel of Developed Property changed or modified in each such Final Map shall be a rate per square foot of Acreage calculated as follows:

- a. Determine the total Backup Annual Special Tax revenue anticipated to apply to the changed or modified Assessor's Parcels prior to the change or modification.
- b. The result of paragraph a. above shall be divided by the Acreage of Taxable Property of the modified Assessor's Parcels, as reasonably determined by the Administrator.
- c. The result of paragraph b above shall be divided by 43,560. The result is the Backup Annual Special Tax per square foot of Acreage that shall be applicable to the modified Assessor's Parcels, subject to increases as described below.

**3. Increase in the Backup Annual Special Tax**

Each July 1, commencing the July 1 following the initial calculation of the Backup Annual Special Tax for Developed Property within a Final Map, the Backup Annual Special Tax for each Lot within such Final Map shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

**SECTION F  
REDUCTION OF THE SPECIAL TAX  
PRIOR TO BOND SALE**

Prior to the issuance of the first series of Bonds, the Maximum Special Tax and Assigned Annual Special Tax on Taxable Property may be reduced in accordance with, and subject to, the conditions set forth in this Section F and the terms of the Mitigation Agreement without the need for any proceedings to make changes as permitted or required under the Act.

Prior to the issuance of the first series of Bonds the Administrator may review information regarding the current and expected value of residential units within the District and prepare an analysis estimating the total property tax burden of completed homes within the District. The Maximum Special Tax and Assigned Annual Special Tax on Taxable Property may be reduced with the written consent of the Administrator to a level such that the resulting estimated total property tax rate does not exceed 2% of the current and expected value of the residential units within the District.

With respect to any Assessor's Parcel for which the Special Tax is reduced, the Board shall indicate in the records of the District that there has been a reduction of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the reduction of the Special Tax obligation by executing a certificate in substantially the form attached herein as Exhibit A.

**SECTION G  
METHOD OF APPORTIONMENT  
OF THE ANNUAL SPECIAL TAX**

Commencing Fiscal Year 2024/2025 and for each subsequent Fiscal Year, the Board shall levy Annual Special Taxes on all Taxable Property in accordance with the following steps:

- Step One:** The Special Tax shall be levied on each Assessor's Parcel of Developed Property at the Assigned Annual Special Tax applicable to each such Assessor's Parcel.
- Step Two:** If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Approved Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement

- Step Three:** If additional moneys are needed to satisfy the Special Tax Requirement after the second step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
- Step Four:** If additional moneys are needed to satisfy the Special Tax Requirement after the third step has been completed, the Special Tax on each Assessor's Parcel of Developed Property, for which the Maximum Special Tax is the Backup Annual Special Tax, shall be increased Proportionately from the Assigned Annual Special Tax up to 100% of the Backup Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
- Step Five:** If additional moneys are needed to satisfy the Special Tax Requirement after the fourth step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Undeveloped Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

## SECTION H PREPAYMENT OF SPECIAL TAXES

### 1. Special Tax Prepayment Times and Conditions

The Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid, if there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel. An owner of an Assessor's Parcel intending to prepay the Special Tax shall provide the School District with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the Administrator shall determine the Prepayment Amount for such Assessor's Parcel and shall notify such owner of such Prepayment Amount.

### 2. Special Tax Prepayment Calculation

The Prepayment Amount shall be calculated according to the following formula:

$$P = PVT - RFC + PAF$$

The terms above have the following meanings:

P	=	Prepayment Amount
PVT	=	Present Value of Taxes
RFC	=	Reserve Fund Credit
PAF	=	Prepayment Administrative Fees

**3. Special Tax Prepayment Procedures and Limitations**

The amount representing the Present Value of Taxes attributable to the prepayment less the Reserve Fund Credit attributable to the prepayment shall, prior to the issuance of Bonds, be deposited into a separate account held with the School District and disbursed in accordance with the Mitigation Agreement and after the issuance of Bonds be deposited into the applicable account or fund established under the trust agreement, indenture agreement or fiscal agent agreement and used to pay debt service or redeem Bonds. The amount representing the Prepayment Administrative Fees attributable to the prepayment shall be retained and deposited into the applicable account by the District.

With respect to any Assessor's Parcel for which the Special Tax is prepaid, the Board shall indicate in the records of the District that there has been a prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Special Tax obligation and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Special Tax shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Assigned Annual Special Taxes that may be levied on Taxable Property, net of Administrative Expenses and excluding Provisional Undeveloped Property, after such prepayment shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Administrator. Such determination shall include identifying all Assessor's Parcels that are expected to be classified as Exempt Property.

Notwithstanding the above, the ability to prepay the Special Tax obligation of an Assessor's Parcel may be suspended, by the Administrator, acting in his or her absolute and sole discretion for and on behalf of the District, without notice to the owners of property within the District for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the District to assist in the efficient preparation of the required bond market disclosure.

**SECTION I  
PARTIAL PREPAYMENT OF SPECIAL TAXES**

**1. Partial Prepayment Times and Conditions**

The Special Tax obligation for Assessor's Parcels of Taxable Property may be partially prepaid in increments of ten (10) Units, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcels at the time the Special Tax obligation would be partially prepaid. An owner of an Assessor's Parcel(s) intending to partially prepay the Special Tax shall provide the District with written notice of their intent to partially prepay. Within thirty (30) days of receipt of such written notice, the Administrator shall determine the Partial Prepayment Amount of such Assessor's Parcel and shall notify such owner of such Partial Prepayment Amount.

**2. Partial Prepayment Calculation**

The Partial Prepayment Amount shall be calculated according to the following formula.

$$PP = PVT \times F - RFC + PAF$$

The terms above have the following meanings:

PP	=	the Partial Prepayment Amount
PVT	=	Present Value of Taxes
F	=	the percent by which the owner of the Assessor's Parcel is partially prepaying the Special Tax obligation
RFC	=	Reserve Fund Credit
PAF	=	Prepayment Administrative Fees

**3. Partial Prepayment Procedures and Limitations**

The amount representing the Present Value of Taxes attributable to the prepayment less the Reserve Fund Credit attributable to the prepayment shall, prior to the issuance of Bonds, be deposited into a separate account held with the School District and disbursed in accordance with the Mitigation Agreement and after the issuance of Bonds be deposited into the applicable account or fund established under the trust agreement or indenture agreement or fiscal agent agreement and used to pay debt service or redeem Bonds. The amount representing the Prepayment Administrative Fees attributable to the prepayment shall be retained and deposited into the applicable account by the District.

With respect to any Assessor's Parcel for which the Special Tax obligation is partially prepaid, the Board shall indicate in the records of the District that there has been a partial prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the partial prepayment of the Special Tax obligation and the partial release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Special Tax shall cease. Additionally, the notice shall indicate that the Assigned Annual Special Tax and the Backup Annual Special Tax if applicable for the Assessor's Parcel has been reduced by an amount equal to the percentage which was partially prepaid.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Special Taxes that may be levied on Taxable Property, excluding Provisional Undeveloped Property, after such partial prepayment, and net of Administrative Expenses, shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such partial prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Administrator. Such determination shall include identifying all Assessor's Parcels that are expected to be classified as Exempt Property.

Notwithstanding the above, the ability to prepay the Annual Special Tax obligation of an Assessor's Parcel may be suspended, by the Administrator, acting in his or her absolute and sole discretion for and on behalf of the District, without notice to the owners of property within the District for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the District to assist in the efficient preparation of the required bond market disclosure.

## **SECTION J TERMINATION OF SPECIAL TAX**

The Special Tax shall be levied for a term of five (5) Fiscal Years after the final maturity of the last series of Bonds, provided that the Special Tax shall not be levied later than Fiscal Year 2066/2067. However, the Special Tax may cease to be levied in an earlier Fiscal Year if the Board has determined (i) that all required interest and principal payments on the Bonds have been paid, (ii) all authorized facilities of the District have been acquired and all reimbursements have been paid, and (iii) all other obligations of the District have been satisfied.

## **SECTION K EXEMPTIONS**

The Administrator shall classify as Exempt Property in the chronological order in which each Assessor Parcel becomes (i) owned by the State of California, federal or other local governments, (ii) used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) owned by a homeowners' association, (iv) burdened with a public or utility easements making impractical their utilization for other than the purposes set forth in the easement, or (v) any other Assessor's Parcels at the reasonable discretion of the Board, provided that no such classification would reduce the Net Taxable Acreage to less than the acres of Acreage listed in the table below ("Minimum Taxable Acreage").

Minimum Taxable Acreage
18.9188

Notwithstanding the above, the Administrator or Board shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of the Acreage of all Taxable Property to less than the Minimum Taxable Acreage. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property to less than the Minimum Taxable Acreage will be classified as Provisional Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly.

## **SECTION L APPEALS**

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Administrator to be received by the Administrator not later than six (6) months after having paid the first installment of the Special Tax that is disputed. The reissuance or cancellation of a building permit is not an eligible reason for appeal. In order to be considered sufficient, any notice of appeal must (i) specifically identify the property by address and Assessor's Parcel Number, (ii) state the amount in dispute and whether it is the whole amount or only a portion of the Special Tax, (iii) state all grounds on which the property owner is disputing the amount or application of the Special Tax, including a reasonably detailed explanation as to why the amount or application of such Special Tax is incorrect, (iv) include all documentation, if any, in support of the claim, and (v) be verified under penalty of perjury by the person who paid the Special Tax or his or her guardian, executor or administrator. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) as the representative's decision shall indicate.

## **SECTION M MANNER OF COLLECTION**

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes and shall be subject to the same penalties, the same procedure, sale and lien priority in the case of delinquency; provided, however, that the District may directly bill all or a portion of the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial or contractual obligations, and if so collected, a delinquent penalty of ten percent (10%) of the Special Tax will attach at 5:00 p.m. on the date the Special Tax becomes delinquent and interest at 1.5% per month of the Special Tax will attach on the July 1 after the delinquency date and the first of each month thereafter until such Special Taxes are paid.

## **SECTION N ACCESSORY DWELLING UNITS (ADUS)**

The square footage of assessable internal living space associated with the construction of an ADU shall be assessed by the School District through the collection of the then current applicable statutory school fees (pursuant to Education Code Section 17620 and Government Code Section 65995) or alternative school fees (pursuant to Government Code Section 65995.5 and/or Section 65995.7) and shall not be included in the Building Square Footage calculated to determine the Land Use Class of an Assessor's Parcel of Developed Property.



**EXHIBIT A**

**CERTIFICATE TO AMEND SPECIAL TAX  
DISTRICT CERTIFICATE**

1. Pursuant to Section F of the Rate and Method of Apportionment of Improvement Area E of Community Facilities District No. 2016-1 of the Westside Union School District ("District") hereby approves a reduction in the Assigned Annual Special Tax for Developed Property, Provisional Undeveloped Property and Undeveloped Property within the District.
  - a. The information in Table 1 relating to the Fiscal Year 2024/2025 Assigned Annual Special Tax for Developed Property within the District shall be modified as follows:

**Table 2**

**Fiscal Year 2024/2025  
Assigned Annual Special Taxes  
for Developed Property**

Land Use Class	Building Square Footage	Assigned Annual Special Tax
1	< 2,500 sq.ft	\$_____ per Unit
2	2,500 – 2,700 sq.ft	\$_____ per Unit
3	2,701 – 2,900 sq.ft	\$_____ per Unit
4	2,901 – 3,100 sq.ft	\$_____ per Unit
5	> 3,100 sq.ft	\$_____ per Unit

- b. The Fiscal Year 2024/2025 Assigned Annual Special Tax for each Assessor's Parcel of Provisional Undeveloped Property and Undeveloped Property, as adjusted annually pursuant to Section D 2 of the RMA shall be \$[\_\_\_\_\_] per acre. The Backup Annual Special Tax for Developed Property shall be recalculated pursuant to Section E. of the RMA based on the foregoing adjusted Assigned Annual Special Tax per Acre for Undeveloped Property.

Date: \_\_\_\_\_, 20\_\_\_\_

By: \_\_\_\_\_  
Administrator

**EXHIBIT B-4**  
**AMENDED RATE AND METHOD OF APPORTIONMENT OF**  
**IMPROVEMENT AREA F**

**[Attached]**

**FIRST AMENDED  
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES OF  
IMPROVEMENT AREA F OF  
COMMUNITY FACILITIES DISTRICT NO. 2016-1 OF  
THE WESTSIDE UNION SCHOOL DISTRICT**

A Special Tax, as defined herein, shall be levied on and collected from all Assessor's Parcels in Improvement Area F of Community Facilities District No. 2016-1 of the Westside Union School District each Fiscal Year, as defined herein, commencing in Fiscal Year 2024/2025, in an amount determined by the Board through the application of the Rate and Method of Apportionment of Special Taxes ("RMA"), as defined herein, described below. All the real property within the District, unless exempted by law or by provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

**SECTION A  
DEFINITIONS**

For purposes of this RMA, the terms hereinafter set forth have the following meanings:

**"Acreage"** means the number of acres of land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the Administrator may rely on the land area shown on the applicable Final Map.

**"Act"** means the Mello-Roos Communities Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

**"Administrative Expenses"** means any ordinary and necessary expense incurred by the School District on behalf of the District related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes, including, but not limited to, the reasonable expenses of collecting delinquencies, the administration of Bonds, the proportionate payment of salaries and benefits of any School District employee whose duties are directly related to the administration of the District, and reasonable costs otherwise incurred in order to carry out the authorized purposes of the District including, but not limited to, a proportionate amount of School District general administrative overhead related thereto.

**"Administrator"** means an official of the School District or designee thereof, responsible for determining the levy and collection of the Special Taxes.

**"ADU"** means an Accessory Dwelling Unit as defined in California Government Code Section 65852.2 and 65852.22.

**"Annual Special Tax"** means the Special Tax levied in any Fiscal Year on any Assessor's Parcel.

**"Approved Property"** means all Assessor's Parcels of Taxable Property that (i) are associated with a Lot in a Final Map that was recorded prior to the January 1 preceding the Fiscal Year in which the Special Tax is being levied and (ii) have not been issued a building permit on or before the May 1 preceding the Fiscal Year in which the Special Tax is being levied.

**"Assessor's Parcel"** means a parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of the District.

**"Assessor's Parcel Map"** means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

**"Assessor's Parcel Number"** means that number assigned to an Assessor's Parcel by the County for purposes of identification.

**"Assigned Annual Special Tax"** means the Special Tax of that name described in Section D hereof.

**"Backup Annual Special Tax"** means the Special Tax of that name described in Section E hereof.

**"Board"** means the Governing Board (Board of Education) of the School District, or its designee(s), acting as the Legislative Body of the District.

**"Bond Index"** means the national Bond Buyer Revenue Index, commonly referenced as the 25-Bond Revenue Index. In the event the Bond Index ceases to be published, the index used shall be based on a comparable index for revenue bonds maturing in 30 years with an average rating equivalent to Moody's A1 and/or Standard & Poor's A+, as determined by the Board.

**"Bond Yield"** means the yield of the last series of Bonds issued. For purposes of this calculation the yield of the Bonds shall be the yield calculated at the time such Bonds are issued, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, for the purpose of the Non-Arbitrage (Tax) Certificate or other similar bond issuance document.

**"Bonds"** means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which the Special Taxes have been pledged for repayment.

**"Building Square Footage" or "BSF"** means the assessable square footage within the perimeter of a residential structure, not including any carport, covered or uncovered walkway, garage, overhang, patio, enclosed patio, detached accessory structure, or similar area for such Unit.

**"City"** means the City of Palmdale, California.

**"County"** means the County of Los Angeles, California.

**"Developed Property"** means all Assessor's Parcels of Taxable Property for which building permit(s) were issued on or before May 1 of the prior Fiscal Year, provided that such Assessor's Parcels were created on or before January 1 of the prior Fiscal Year, as reasonably determined by the Administrator.

**"District"** means Improvement Area F of Community Facilities District No. 2016-1 of the School District.

**"Exempt Property"** means all Assessor's Parcels designated as being exempt from Special Taxes pursuant to Section K hereof.

**"Final Map"** means a final tract map, parcel map, condominium map lot line adjustment, or functionally equivalent map or instrument that creates individual Lots, recorded in the Office of the County Recorder.

**"Fiscal Year"** means the period commencing on July 1 of any year and ending on the following June 30.

**"Land Use Class or Classes"** means the tax classifications depicted in Table 1 for all Units on an Assessor's Parcel of Developed Property based on the Building Square Footage of such Unit.

**"Lot"** means an individual legal lot created by a Final Map for which a building permit for residential construction has been or could be issued.

**"Maximum Special Tax"** means for each Assessor's Parcel, the maximum Special Tax, determined in accordance with Section C, which can be levied by the District in a given Fiscal Year on such Assessor's Parcel.

**"Net Taxable Acreage"** means the total Acreage of Developed Property expected to exist within the District after all Final Maps are recorded.

**"Partial Prepayment Amount"** means the amount required to prepay a portion of the Special Tax obligation for an Assessor's Parcel as described in Section I hereof.

**"Prepayment Administrative Fees"** means any fees or expenses of the School District or the District associated with the prepayment of the Special Tax obligation of an Assessor's Parcel. Prepayment Administrative Fees shall include, among other things, the cost of computing the Prepayment Amount, redeeming Bonds, and recording or filing of any notices to evidence such prepayment and any associated or resulting redemption of Bonds.

**"Prepayment Amount"** means the amount required to prepay the Special Tax obligation in full for an Assessor's Parcel as described in Section II hereof.

**"Present Value of Taxes"** means for any Assessor's Parcel the present value of (i) the unpaid portion, if any, of the Annual Special Tax applicable to such Assessor's Parcel in the current Fiscal Year and (ii) the Special Taxes expected to be levied on such Assessor's Parcel in each remaining Fiscal Year, as determined by the Administrator, until the termination date specified in Section J, but in no event longer than 35 Fiscal Years. The discount rate used for this calculation shall be equal to (a) the Bond Yield after Bond issuance or (b) the most recently published Bond Index prior to Bond issuance.

**"Proportionately"** means that the ratio of the actual Annual Special Tax levy to the applicable Assigned Annual Special Tax is equal for all applicable Assessor's Parcels. In the case of Developed Property subject to apportionment of the Annual Special Tax under Step Four of Section C, "Proportionately" shall mean that the quotient of (i) the Annual Special Tax less the Assigned Annual Special Tax divided by (ii) the Backup Annual Special Tax less the Assigned Annual Special Tax is equal for all applicable Assessor's Parcels.

**"Provisional Undeveloped Property"** means all Assessor's Parcels of Taxable Property that would otherwise be classified as Exempt Property pursuant to Section K but cannot be classified as Exempt Property because to do so would reduce the Net Taxable Acreage below the required minimum Acreage set forth in Section K.

**"Reserve Fund Credit"** means an amount equal to the lesser of (i) the reduction in the applicable reserve fund requirement(s) resulting from the redemption of Bonds with the Prepayment Amount or (ii) ten percent (10%) of the amount of Bonds which will be redeemed. If a surety bond or other credit instrument satisfies the reserve requirement or the reserve requirement is underfunded at the time of the prepayment, no Reserve Fund Credit shall be given.

**"School District"** means the Westside Union School District, a public school district organized and operating pursuant to the Constitution and laws of the State of California.

**"Special Tax"** means any of the special taxes authorized to be levied by the District pursuant to the Act and this RMA.

**"Special Tax Requirement"** means the amount required in any Fiscal Year to pay (i) the debt service or the periodic costs on all outstanding Bonds, (ii) Administrative Expenses, (iii) the costs associated with the release of funds from an escrow account or accounts established in association with the Bonds, (iv) any amount required to establish or replenish any reserve funds (or accounts thereof) established in association with the Bonds, and (v) the collection or accumulation of funds for the acquisition or construction of eligible facilities and certain costs associated with the maintenance and operations of school facilities authorized by the District provided that the inclusion of such amount does not cause an increase in the levy of Special Tax on Approved Property, Undeveloped Property or Provisional Undeveloped Property as set forth in Steps Two through Four of Section G, less (vi) any amount(s) available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, trust agreement, or equivalent agreement or document. In arriving at the Special Tax Requirement, the Administrator shall take into account the reasonably anticipated delinquent Special Taxes, provided that the amount included cannot cause the Annual Special Tax of an Assessor Parcel of Developed Property to increase by greater than ten percent (10%) of what would have otherwise been levied.

**"Taxable Property"** means all Assessor's Parcels which are not classified as Exempt Property.

**"Undeveloped Property"** means all Assessor's Parcels of Taxable Property which are not classified as Developed Property.

**"Unit"** means each separate residential dwelling unit, including but not limited to, a single family attached or detached unit, condominium, an apartment unit, mobile home, or otherwise, excluding ADUs, hotels and motels.

## SECTION B CLASSIFICATION OF ASSESSOR'S PARCELS

Each Fiscal Year, commencing with Fiscal Year 2024/2025, all Assessor's Parcels shall be classified as either Taxable Property or Exempt Property. In addition, each Assessor's Parcel of Taxable Property shall be further classified as Developed Property, Approved Property, Undeveloped Property or Provisional Undeveloped Property. Each Unit on an Assessor's Parcel of Developed Property shall be assigned to a Land Use Class, according to Table 1 below, based on the Building Square Footage of each Unit.

**Table 1**  
**Land Use Classification**

Land Use Class	Building Square Footage
1	< 4,100 sq ft
2	4,101 – 4,300 sq.ft
3	4,301 – 4,500 sq.ft
4	4,501 – 4,700 sq.ft
5	4,701 – 4,900 sq.ft
6	4,901 – 5,100 sq.ft
7	> 5,100 sq ft

## SECTION C MAXIMUM SPECIAL TAX

### 1. Developed Property

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of the amount derived by the application of the (a) Assigned Annual Special Tax or (b) Backup Annual Special Tax.

### 2. Approved Property

The Maximum Special Tax for each Assessor's Parcel classified as Approved Property shall be derived by the application of the Assigned Annual Special Tax.

### 3. Undeveloped Property and Provisional Undeveloped Property

The Maximum Special Tax for each Assessor's Parcel classified as Undeveloped Property or Provisional Undeveloped Property shall be derived by the application of the Assigned Annual Special Tax.

## SECTION D ASSIGNED ANNUAL SPECIAL TAXES

### 1. Developed Property

The Assigned Annual Special Tax for each Assessor's Parcel of Developed Property will be determined in accordance with Table 2 below, subject to increases as described below.

**Table 2**  
**Fiscal Year 2024/2025**  
**Assigned Annual Special Taxes**

Land Use Class	Building Square Footage	Assigned Annual Special Tax
1	< 4,100 sq.ft	\$3,920.00 per Unit
2	4,100 – 4,300 sq.ft	\$4,020.00 per Unit
3	4,301 – 4,500 sq.ft	\$4,120.00 per Unit
4	4,501 – 4,700 sq.ft	\$4,280.00 per Unit
5	4,701 – 4,900 sq.ft	\$4,440.00 per Unit
6	4,901 – 5,100 sq.ft	\$4,600.00 per Unit
7	> 5,100 sq.ft	\$4,762.00 per Unit

### 2. Approved Property, Undeveloped Property and Provisional Undeveloped Property

The Assigned Annual Special Tax for each Assessor's Parcel of Approved Property, Undeveloped Property or Provisional Undeveloped Property in Fiscal Year 2024/2025 shall be \$8,330.46 per acre of Acreage.

### 3. Increases in the Assigned Annual Special Tax

#### a. Developed Property

On each July 1, commencing July 1, 2025, the Assigned Annual Special Tax applicable to Developed Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

#### b. Approved Property, Undeveloped Property and Provisional Undeveloped Property

On each July 1, commencing July 1, 2025, the Assigned Annual Special Tax per acre of Acreage for Approved Property, Undeveloped Property and Provisional Undeveloped Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.



## **SECTION E**

### **BACKUP ANNUAL SPECIAL TAX**

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to a Backup Annual Special Tax.

#### **1. Calculation of the Backup Annual Special Tax**

The Backup Annual Special Tax for an Assessor's Parcel of Developed Property within a Final Map shall be the rate per Lot calculated in accordance with the following formula in Fiscal Year 2024/2025 or such later Fiscal Year in which such Final Map is created, subject to increases as described below:

$$B = (U \times A) / L$$

The terms above have the following meanings:

- |   |   |  |
|---|---|--|
| B | = | Backup Annual Special Tax per Lot for the applicable Final Map   |
| U | = | Assigned Annual Special Tax per Acre of Undeveloped Property in the Fiscal Year the calculation is performed                       |
| A | = | Acreage of Taxable Property expected to exist within such Final Map at the time of calculation, as determined by the Administrator |
| L | = | Number of Lots within the applicable Final Map at the time of calculation  |

#### **2. Changes to a Final Map**

If the Final Map(s) described in the preceding paragraph are subsequently changed or modified, then the Backup Annual Special Tax for each Assessor's Parcel of Developed Property changed or modified in each such Final Map shall be a rate per square foot of Acreage calculated as follows:

- a. Determine the total Backup Annual Special Tax revenue anticipated to apply to the changed or modified Assessor's Parcels prior to the change or modification.
- b. The result of paragraph a. above shall be divided by the Acreage of Taxable Property of the modified Assessor's Parcels, as reasonably determined by the Administrator.
- c. The result of paragraph b above shall be divided by 43,560. The result is the Backup Annual Special Tax per square foot of Acreage that shall be applicable to the modified Assessor's Parcels, subject to increases as described below.

**3. Increase in the Backup Annual Special Tax**

Each July 1, commencing the July 1 following the initial calculation of the Backup Annual Special Tax for Developed Property within a Final Map, the Backup Annual Special Tax for each Lot within such Final Map shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

**SECTION F  
REDUCTION OF THE SPECIAL TAX  
PRIOR TO BOND SALE**

Prior to the issuance of the first series of Bonds, the Maximum Special Tax and Assigned Annual Special Tax on Taxable Property may be reduced in accordance with, and subject to, the conditions set forth in this Section F and the terms of the Mitigation Agreement without the need for any proceedings to make changes as permitted or required under the Act.

Prior to the issuance of the first series of Bonds the Administrator may review information regarding the current and expected value of residential units within the District and prepare an analysis estimating the total property tax burden of completed homes within the District. The Maximum Special Tax and Assigned Annual Special Tax on Taxable Property may be reduced with the written consent of the Administrator to a level such that the resulting estimated total property tax rate does not exceed 2% of the current and expected value of the residential units within the District.

With respect to any Assessor's Parcel for which the Special Tax is reduced, the Board shall indicate in the records of the District that there has been a reduction of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the reduction of the Special Tax obligation by executing a certificate in substantially the form attached herein as Exhibit A.

**SECTION G  
METHOD OF APPORTIONMENT  
OF THE ANNUAL SPECIAL TAX**

Commencing Fiscal Year 2024/2025 and for each subsequent Fiscal Year, the Board shall levy Annual Special Taxes on all Taxable Property in accordance with the following steps:

- Step One:** The Special Tax shall be levied on each Assessor's Parcel of Developed Property at the Assigned Annual Special Tax applicable to each such Assessor's Parcel.
- Step Two:** If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Approved Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

- Step Three:** If additional moneys are needed to satisfy the Special Tax Requirement after the second step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
- Step Four:** If additional moneys are needed to satisfy the Special Tax Requirement after the third step has been completed, the Special Tax on each Assessor's Parcel of Developed Property, for which the Maximum Special Tax is the Backup Annual Special Tax, shall be increased Proportionately from the Assigned Annual Special Tax up to 100% of the Backup Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
- Step Five:** If additional moneys are needed to satisfy the Special Tax Requirement after the fourth step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Undeveloped Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

## SECTION H PREPAYMENT OF SPECIAL TAXES

### 1. Special Tax Prepayment Times and Conditions

The Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid, if there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel. An owner of an Assessor's Parcel intending to prepay the Special Tax shall provide the School District with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the Administrator shall determine the Prepayment Amount for such Assessor's Parcel and shall notify such owner of such Prepayment Amount.

### 2. Special Tax Prepayment Calculation

The Prepayment Amount shall be calculated according to the following formula:

$$P = PVT - RFC + PAF$$

The terms above have the following meanings:

P	=	Prepayment Amount
PVT	=	Present Value of Taxes
RFC	=	Reserve Fund Credit
PAF	=	Prepayment Administrative Fees

**3. Special Tax Prepayment Procedures and Limitations**

The amount representing the Present Value of Taxes attributable to the prepayment less the Reserve Fund Credit attributable to the prepayment shall, prior to the issuance of Bonds, be deposited into a separate account held with the School District and disbursed in accordance with the Mitigation Agreement and after the issuance of Bonds be deposited into the applicable account or fund established under the trust agreement, indenture agreement or fiscal agent agreement and used to pay debt service or redeem Bonds. The amount representing the Prepayment Administrative Fees attributable to the prepayment shall be retained and deposited into the applicable account by the District.

With respect to any Assessor's Parcel for which the Special Tax is prepaid, the Board shall indicate in the records of the District that there has been a prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Special Tax obligation and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Special Tax shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Assigned Annual Special Taxes that may be levied on Taxable Property, net of Administrative Expenses and excluding Provisional Undeveloped Property, after such prepayment shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Administrator. Such determination shall include identifying all Assessor's Parcels that are expected to be classified as Exempt Property.

Notwithstanding the above, the ability to prepay the Special Tax obligation of an Assessor's Parcel may be suspended, by the Administrator, acting in his or her absolute and sole discretion for and on behalf of the District, without notice to the owners of property within the District for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the District to assist in the efficient preparation of the required bond market disclosure.

**SECTION I  
PARTIAL PREPAYMENT OF SPECIAL TAXES**

**1. Partial Prepayment Times and Conditions**

The Special Tax obligation for Assessor's Parcels of Taxable Property may be partially prepaid in increments of ten (10) Units, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcels at the time the Special Tax obligation would be partially prepaid. An owner of an Assessor's Parcel(s) intending to partially prepay the Special Tax shall provide the District with written notice of their intent to partially prepay. Within thirty (30) days of receipt of such written notice, the Administrator shall determine the Partial Prepayment Amount of such Assessor's Parcel and shall notify such owner of such Partial Prepayment Amount.

## 2. Partial Prepayment Calculation

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = PVT \times F - RFC + PAF$$

The terms above have the following meanings:

PP	=	the Partial Prepayment Amount
PVT	=	Present Value of Taxes
F	=	the percent by which the owner of the Assessor's Parcel is partially prepaying the Special Tax obligation
RFC	=	Reserve Fund Credit
PAF	=	Prepayment Administrative Fees

## 3. Partial Prepayment Procedures and Limitations

The amount representing the Present Value of Taxes attributable to the prepayment less the Reserve Fund Credit attributable to the prepayment shall, prior to the issuance of Bonds, be deposited into a separate account held with the School District and disbursed in accordance with the Mitigation Agreement and after the issuance of Bonds be deposited into the applicable account or fund established under the trust agreement or indenture agreement or fiscal agent agreement and used to pay debt service or redeem Bonds. The amount representing the Prepayment Administrative Fees attributable to the prepayment shall be retained and deposited into the applicable account by the District.

With respect to any Assessor's Parcel for which the Special Tax obligation is partially prepaid, the Board shall indicate in the records of the District that there has been a partial prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the partial prepayment of the Special Tax obligation and the partial release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Special Tax shall cease. Additionally, the notice shall indicate that the Assigned Annual Special Tax and the Backup Annual Special Tax if applicable for the Assessor's Parcel has been reduced by an amount equal to the percentage which was partially prepaid.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Special Taxes that may be levied on Taxable Property, excluding Provisional Undeveloped Property, after such partial prepayment, and net of Administrative Expenses, shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such partial prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Administrator. Such determination shall include identifying all Assessor's Parcels that are expected to be classified as Exempt Property.

Notwithstanding the above, the ability to prepay the Annual Special Tax obligation of an Assessor's Parcel may be suspended, by the Administrator, acting in his or her absolute and sole discretion for and on behalf of the District, without notice to the owners of property within the District for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the District to assist in the efficient preparation of the required bond market disclosure.

## **SECTION J TERMINATION OF SPECIAL TAX**

The Special Tax shall be levied for a term of five (5) Fiscal Years after the final maturity of the last series of Bonds, provided that the Special Tax shall not be levied later than Fiscal Year 2066/2067. However, the Special Tax may cease to be levied in an earlier Fiscal Year if the Board has determined (i) that all required interest and principal payments on the Bonds have been paid, (ii) all authorized facilities of the District have been acquired and all reimbursements have been paid, and (iii) all other obligations of the District have been satisfied.

## **SECTION K EXEMPTIONS**

The Administrator shall classify as Exempt Property in the chronological order in which each Assessor Parcel becomes (i) owned by the State of California, federal or other local governments, (ii) used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) owned by a homeowners' association, (iv) burdened with a public or utility easements making impractical their utilization for other than the purposes set forth in the easement, or (v) any other Assessor's Parcels at the reasonable discretion of the Board, provided that no such classification would reduce the Net Taxable Acreage to less than the acres of Acreage listed in the table below ("Minimum Taxable Acreage").

Minimum Taxable Acreage
36.4119

Notwithstanding the above, the Administrator or Board shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of the Acreage of all Taxable Property to less than the Minimum Taxable Acreage. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property to less than the Minimum Taxable Acreage will be classified as Provisional Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly.

## **SECTION L APPEALS**

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Administrator to be received by the Administrator not later than six (6) months after having paid the first installment of the Special Tax that is disputed. The reissuance or cancellation of a building permit is not an eligible reason for appeal. In order to be considered sufficient, any notice of appeal must (i) specifically identify the property by address and Assessor's Parcel Number, (ii) state the amount in dispute and whether it is the whole amount or only a portion of the Special Tax, (iii) state all grounds on which the property owner is disputing the amount or application of the Special Tax, including a reasonably detailed explanation as to why the amount or application of such Special Tax is incorrect, (iv) include all documentation, if any, in support of the claim, and (v) be verified under penalty of perjury by the person who paid the Special Tax or his or her guardian, executor or administrator. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) as the representative's decision shall indicate.

## **SECTION M MANNER OF COLLECTION**

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes and shall be subject to the same penalties, the same procedure, sale and lien priority in the case of delinquency; provided, however, that the District may directly bill all or a portion of the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial or contractual obligations, and if so collected, a delinquent penalty of ten percent (10%) of the Special Tax will attach at 5:00 p.m. on the date the Special Tax becomes delinquent and interest at 1.5% per month of the Special Tax will attach on the July 1 after the delinquency date and the first of each month thereafter until such Special Taxes are paid.

## **SECTION N ACCESSORY DWELLING UNITS (ADUS)**

The square footage of assessable internal living space associated with the construction of an ADU shall be assessed by the School District through the collection of the then current applicable statutory school fees (pursuant to Education Code Section 17620 and Government Code Section 65995) or alternative school fees (pursuant to Government Code Section 65995.5 and/or Section 65995.7) and shall not be included in the Building Square Footage calculated to determine the Land Use Class of an Assessor's Parcel of Developed Property.

**EXHIBIT A**

**CERTIFICATE TO AMEND SPECIAL TAX  
DISTRICT CERTIFICATE**

1. Pursuant to Section F of the Rate and Method of Apportionment of Improvement Area 1 of Community Facilities District No. 2016-1 of the Westside Union School District ("District") hereby approves a reduction in the Assigned Annual Special Tax for Developed Property, Provisional Undeveloped Property and Undeveloped Property within the District.
- a. The information in Table 1 relating to the Fiscal Year 2024/2025 Assigned Annual Special Tax for Developed Property within the District shall be modified as follows:

**Table 2**  
**Fiscal Year 2024/2025**  
**Assigned Annual Special Taxes**  
**for Developed Property**

Land Use Class	Building Square Footage	Assigned Annual Special Tax
1	< 4,100 sq.ft	\$_____ per Unit
2	4,100 – 4,300 sq.ft	\$_____ per Unit
3	4,301 – 4,500 sq.ft	\$_____ per Unit
4	4,501 – 4,700 sq.ft	\$_____ per Unit
5	4,701 – 4,900 sq.ft	\$_____ per Unit
6	4,901 – 5,100 sq.ft	\$_____ per Unit
7	> 5,100 sq.ft	\$_____ per Unit

- b. The Fiscal Year 2024/2025 Assigned Annual Special Tax for each Assessor's Parcel of Provisional Undeveloped Property and Undeveloped Property, as adjusted annually pursuant to Section D.2 of the RMA shall be \$[\_\_\_\_\_] per acre. The Backup Annual Special Tax for Developed Property shall be recalculated pursuant to Section E. of the RMA based on the foregoing adjusted Assigned Annual Special Tax per Acre for Undeveloped Property.

Date: \_\_\_\_\_, 20\_\_\_\_

By: \_\_\_\_\_  
Administrator



**EXHIBIT B-5**

**AMENDED RATE AND METHOD OF APPORTIONMENT OF  
IMPROVEMENT AREA G**

**[Attached]**

**FIRST AMENDED  
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES OF  
IMPROVEMENT AREA G OF  
COMMUNITY FACILITIES DISTRICT NO. 2016-1 OF  
THE WESTSIDE UNION SCHOOL DISTRICT**

A Special Tax, as defined herein, shall be levied on and collected from all Assessor's Parcels in Improvement Area G of Community Facilities District No. 2016-1 of the Westside Union School District each Fiscal Year, as defined herein, commencing in Fiscal Year 2024/2025, in an amount determined by the Board through the application of the Rate and Method of Apportionment of Special Taxes ("RMA"), as defined herein, described below. All the real property within the District, unless exempted by law or by provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

**SECTION A  
DEFINITIONS**

For purposes of this RMA, the terms hereinafter set forth have the following meanings:

**"Acreage"** means the number of acres of land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the Administrator may rely on the land area shown on the applicable Final Map.

**"Act"** means the Mello Roos Communities Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

**"Administrative Expenses"** means any ordinary and necessary expense incurred by the School District on behalf of the District related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes, including, but not limited to, the reasonable expenses of collecting delinquencies, the administration of Bonds, the proportionate payment of salaries and benefits of any School District employee whose duties are directly related to the administration of the District, and reasonable costs otherwise incurred in order to carry out the authorized purposes of the District including, but not limited to, a proportionate amount of School District general administrative overhead related thereto.

**"Administrator"** means an official of the School District or designee thereof, responsible for determining the levy and collection of the Special Taxes.

**"ADU"** means an Accessory Dwelling Unit as defined in California Government Code Section 65852.2 and 65852.22.

**"Annual Special Tax"** means the Special Tax levied in any Fiscal Year on any Assessor's Parcel.

**"Approved Property"** means all Assessor's Parcels of Taxable Property that (i) are associated with a Lot in a Final Map that was recorded prior to the January 1 preceding the Fiscal Year in which the Special Tax is being levied and (ii) have not been issued a building permit on or before the May 1 preceding the Fiscal Year in which the Special Tax is being levied.

**"Assessor's Parcel"** means a parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of the District.

**"Assessor's Parcel Map"** means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

**"Assessor's Parcel Number"** means that number assigned to an Assessor's Parcel by the County for purposes of identification.

**"Assigned Annual Special Tax"** means the Special Tax of that name described in Section D hereof.

**"Backup Annual Special Tax"** means the Special Tax of that name described in Section E hereof.

**"Board"** means the Governing Board (Board of Education) of the School District, or its designee(s), acting as the Legislative Body of the District.

**"Bond Index"** means the national Bond Buyer Revenue Index, commonly referenced as the 25 Bond Revenue Index. In the event the Bond Index ceases to be published, the index used shall be based on a comparable index for revenue bonds maturing in 30 years with an average rating equivalent to Moody's A1 and/or Standard & Poor's A+, as determined by the Board.

**"Bond Yield"** means the yield of the last series of Bonds issued. For purposes of this calculation the yield of the Bonds shall be the yield calculated at the time such Bonds are issued, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, for the purpose of the Non Arbitrage (Tax) Certificate or other similar bond issuance document.

**"Bonds"** means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which the Special Taxes have been pledged for repayment.

**"Building Square Footage" or "BSF"** means the assessable square footage within the perimeter of a residential structure, not including any carport, covered or uncovered walkway, garage, overhang, patio, enclosed patio, detached accessory structure, or similar area for such Unit.

**"City"** means the City of Palmdale, California.

**"County"** means the County of Los Angeles, California.

**"Developed Property"** means all Assessor's Parcels of Taxable Property for which building permit(s) were issued on or before May 1 of the prior Fiscal Year, provided that such Assessor's Parcels were created on or before January 1 of the prior Fiscal Year, as reasonably determined by the Administrator.

**"District"** means Improvement Area G of Community Facilities District No. 2016-1 of the School District.

**"Exempt Property"** means all Assessor's Parcels designated as being exempt from Special Taxes pursuant to Section K hereof.

**"Final Map"** means a final tract map, parcel map, condominium map lot line adjustment, or functionally equivalent map or instrument that creates individual Lots, recorded in the Office of the County Recorder.

**"Fiscal Year"** means the period commencing on July 1 of any year and ending on the following June 30.

**"Land Use Class or Classes"** means the tax classifications depicted in Table 1 for all Units on an Assessor's Parcel of Developed Property based on the Building Square Footage of such Unit.

**"Lot"** means an individual legal lot created by a Final Map for which a building permit for residential construction has been or could be issued.

**"Maximum Special Tax"** means for each Assessor's Parcel, the maximum Special Tax, determined in accordance with Section C, which can be levied by the District in a given Fiscal Year on such Assessor's Parcel.

**"Net Taxable Acreage"** means the total Acreage of Developed Property expected to exist within the District after all Final Maps are recorded.

**"Partial Prepayment Amount"** means the amount required to prepay a portion of the Special Tax obligation for an Assessor's Parcel as described in Section I hereof.

**"Prepayment Administrative Fees"** means any fees or expenses of the School District or the District associated with the prepayment of the Special Tax obligation of an Assessor's Parcel. Prepayment Administrative Fees shall include, among other things, the cost of computing the Prepayment Amount, redeeming Bonds, and recording or filing of any notices to evidence such prepayment and any associated or resulting redemption of Bonds.

**"Prepayment Amount"** means the amount required to prepay the Special Tax obligation in full for an Assessor's Parcel as described in Section II hereof.

**"Present Value of Taxes"** means for any Assessor's Parcel the present value of (i) the unpaid portion, if any, of the Annual Special Tax applicable to such Assessor's Parcel in the current Fiscal Year and (ii) the Special Taxes expected to be levied on such Assessor's Parcel in each remaining Fiscal Year, as determined by the Administrator, until the termination date specified in Section J, but in no event longer than 35 Fiscal Years. The discount rate used for this calculation shall be equal to (a) the Bond Yield after Bond issuance or (b) the most recently published Bond Index prior to Bond issuance.

**"Proportionately"** means that the ratio of the actual Annual Special Tax levy to the applicable Assigned Annual Special Tax is equal for all applicable Assessor's Parcels. In the case of Developed Property subject to apportionment of the Annual Special Tax under Step Four of Section G, "Proportionately" shall mean that the quotient of (i) the Annual Special Tax less the Assigned Annual Special Tax divided by (u) the Backup Annual Special Tax less the Assigned Annual Special Tax is equal for all applicable Assessor's Parcels.

**"Provisional Undeveloped Property"** means all Assessor's Parcels of Taxable Property that would otherwise be classified as Exempt Property pursuant to Section K but cannot be classified as Exempt Property because to do so would reduce the Net Taxable Acreage below the required minimum Acreage set forth in Section K.

**"Reserve Fund Credit"** means an amount equal to the lesser of (i) the reduction in the applicable reserve fund requirement(s) resulting from the redemption of Bonds with the Prepayment Amount or (ii) ten percent (10%) of the amount of Bonds which will be redeemed. If a surety bond or other credit instrument satisfies the reserve requirement or the reserve requirement is underfunded at the time of the prepayment, no Reserve Fund Credit shall be given.

**"School District"** means the Westside Union School District, a public school district organized and operating pursuant to the Constitution and laws of the State of California

**"Special Tax"** means any of the special taxes authorized to be levied by the District pursuant to the Act and this RMA.

**"Special Tax Requirement"** means the amount required in any Fiscal Year to pay (i) the debt service or the periodic costs on all outstanding Bonds, (ii) Administrative Expenses, (iii) the costs associated with the release of funds from an escrow account or accounts established in association with the Bonds, (iv) any amount required to establish or replenish any reserve funds (or accounts thereof) established in association with the Bonds, and (v) the collection or accumulation of funds for the acquisition or construction of eligible facilities and certain costs associated with the maintenance and operations of school facilities authorized by the District provided that the inclusion of such amount does not cause an increase in the levy of Special Tax on Approved Property, Undeveloped Property or Provisional Undeveloped Property as set forth in Steps Two through Four of Section G, less (vi) any amount(s) available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, trust agreement, or equivalent agreement or document. In arriving at the Special Tax Requirement, the Administrator shall take into account the reasonably anticipated delinquent Special Taxes, provided that the amount included cannot cause the Annual Special Tax of an Assessor Parcel of Developed Property to increase by greater than ten percent (10%) of what would have otherwise been levied.

**"Taxable Property"** means all Assessor's Parcels which are not classified as Exempt Property.

**"Undeveloped Property"** means all Assessor's Parcels of Taxable Property which are not classified as Developed Property.

**"Unit"** means each separate residential dwelling unit, including but not limited to, a single family attached or detached unit, condominium, an apartment unit, mobile home, or otherwise, excluding ADUs, hotels and motels.

## SECTION B CLASSIFICATION OF ASSESSOR'S PARCELS

Each Fiscal Year, commencing with Fiscal Year 2024/2025, all Assessor's Parcels shall be classified as either Taxable Property or Exempt Property. In addition, each Assessor's Parcel of Taxable Property shall be further classified as Developed Property, Approved Property, Undeveloped Property or Provisional Undeveloped Property. Each Unit on an Assessor's Parcel of Developed Property shall be assigned to a Land Use Class, according to Table 1 below, based on the Building Square Footage of each Unit.

**Table 1**  
**Land Use Classification**

Land Use Class	Building Square Footage
1	< 2,500 sq.ft
2	2,500 – 2,700 sq.ft
3	2,701 – 2,900 sq.ft
4	2,901 – 3,100 sq.ft
5	> 3,100 sq.ft

## SECTION C MAXIMUM SPECIAL TAX

### 1. Developed Property

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of the amount derived by the application of the (a) Assigned Annual Special Tax or (b) Backup Annual Special Tax.

### 2. Approved Property

The Maximum Special Tax for each Assessor's Parcel classified as Approved Property shall be derived by the application of the Assigned Annual Special Tax.

### 3. Undeveloped Property and Provisional Undeveloped Property

The Maximum Special Tax for each Assessor's Parcel classified as Undeveloped Property or Provisional Undeveloped Property shall be derived by the application of the Assigned Annual Special Tax.

**SECTION D  
ASSIGNED ANNUAL SPECIAL TAXES**

**1. Developed Property**

The Assigned Annual Special Tax for each Assessor's Parcel of Developed Property will be determined in accordance with Table 2 below, subject to increases as described below.

**Table 2  
Fiscal Year 2024/2025  
Assigned Annual Special Taxes**

Land Use Class	Building Square Footage	Assigned Annual Special Tax
1	< 2,500 sq.ft	\$2,798.00 per Unit
2	2,500 – 2,700 sq.ft	\$3,044.00 per Unit
3	2,701 – 2,900 sq.ft	\$3,290.00 per Unit
4	2,901 – 3,100 sq.ft	\$3,470.00 per Unit
5	> 3,100 sq.ft	\$3,650.00 per Unit

**2. Approved Property, Undeveloped Property, and Provisional Undeveloped Property**

The Assigned Annual Special Tax for each Assessor's Parcel of Approved Property, Undeveloped Property or Provisional Undeveloped Property in Fiscal Year 2024/2025 shall be \$8,305.62 per acre of Acreage.

**3. Increases in the Assigned Annual Special Tax**

**a. Developed Property**

On each July 1, commencing July 1, 2025, the Assigned Annual Special Tax applicable to Developed Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

**b. Approved Property, Undeveloped Property, and Provisional Undeveloped Property**

On each July 1, commencing July 1, 2025, the Assigned Annual Special Tax per acre of Acreage for Approved Property, Undeveloped Property and Provisional Undeveloped Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

## **SECTION E**

### **BACKUP ANNUAL SPECIAL TAX**

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to a Backup Annual Special Tax.

#### **1. Calculation of the Backup Annual Special Tax**

The Backup Annual Special Tax for an Assessor's Parcel of Developed Property within a Final Map shall be the rate per Lot calculated in accordance with the following formula in Fiscal Year 2024/2025 or such later Fiscal Year in which such Final Map is created, subject to increases as described below:

$$B = (U \times A) / L$$

The terms above have the following meanings:

- |   |   |  |
|---|---|--|
| B | = | Backup Annual Special Tax per Lot for the applicable Final Map   |
| U | = | Assigned Annual Special Tax per Acre of Undeveloped Property in the Fiscal Year the calculation is performed                       |
| A | = | Acreage of Taxable Property expected to exist within such Final Map at the time of calculation, as determined by the Administrator |
| L | = | Number of Lots within the applicable Final Map at the time of calculation  |

#### **2. Changes to a Final Map**

If the Final Map(s) described in the preceding paragraph are subsequently changed or modified, then the Backup Annual Special Tax for each Assessor's Parcel of Developed Property changed or modified in each such Final Map shall be a rate per square foot of Acreage calculated as follows:

- a. Determine the total Backup Annual Special Tax revenue anticipated to apply to the changed or modified Assessor's Parcels prior to the change or modification.
- b. The result of paragraph a above shall be divided by the Acreage of Taxable Property of the modified Assessor's Parcels, as reasonably determined by the Administrator.
- c. The result of paragraph b above shall be divided by 43,560. The result is the Backup Annual Special Tax per square foot of Acreage that shall be applicable to the modified Assessor's Parcels, subject to increases as described below.



**3. Increase in the Backup Annual Special Tax**

Each July 1, commencing the July 1 following the initial calculation of the Backup Annual Special Tax for Developed Property within a Final Map, the Backup Annual Special Tax for each Lot within such Final Map shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

**SECTION F  
REDUCTION OF THE SPECIAL TAX  
PRIOR TO BOND SALE**

Prior to the issuance of the first series of Bonds, the Maximum Special Tax and Assigned Annual Special Tax on Taxable Property may be reduced in accordance with, and subject to, the conditions set forth in this Section F and the terms of the Mitigation Agreement without the need for any proceedings to make changes as permitted or required under the Act.

Prior to the issuance of the first series of Bonds the Administrator may review information regarding the current and expected value of residential units within the District and prepare an analysis estimating the total property tax burden of completed homes within the District. The Maximum Special Tax and Assigned Annual Special Tax on Taxable Property may be reduced with the written consent of the Administrator to a level such that the resulting estimated total property tax rate does not exceed 2% of the current and expected value for the residential units within the District.

With respect to any Assessor's Parcel for which the Special Tax is reduced, the Board shall indicate in the records of the District that there has been a reduction of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the reduction of the Special Tax obligation by executing a certificate in substantially the form attached herein as Exhibit A.

**SECTION G  
METHOD OF APPORTIONMENT  
OF THE ANNUAL SPECIAL TAX**

Commencing Fiscal Year 2024/2025 and for each subsequent Fiscal Year, the Board shall levy Annual Special Taxes on all Taxable Property in accordance with the following steps:

- Step One:** The Special Tax shall be levied on each Assessor's Parcel of Developed Property at the Assigned Annual Special Tax applicable to each such Assessor's Parcel
- Step Two:** If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Approved Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

- Step Three:** If additional moneys are needed to satisfy the Special Tax Requirement after the second step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
- Step Four:** If additional moneys are needed to satisfy the Special Tax Requirement after the third step has been completed, the Special Tax on each Assessor's Parcel of Developed Property, for which the Maximum Special Tax is the Backup Annual Special Tax, shall be increased Proportionately from the Assigned Annual Special Tax up to 100% of the Backup Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
- Step Five:** If additional moneys are needed to satisfy the Special Tax Requirement after the fourth step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Undeveloped Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

## SECTION H PREPAYMENT OF SPECIAL TAXES

### 1. Special Tax Prepayment Times and Conditions

The Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid, if there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel. An owner of an Assessor's Parcel intending to prepay the Special Tax shall provide the School District with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the Administrator shall determine the Prepayment Amount for such Assessor's Parcel and shall notify such owner of such Prepayment Amount.

### 2. Special Tax Prepayment Calculation

The Prepayment Amount shall be calculated according to the following formula:

$$P = PVT - RFC + PAF$$

The terms above have the following meanings:

P	=	Prepayment Amount
PVT	=	Present Value of Taxes
RFC	=	Reserve Fund Credit
PAF	=	Prepayment Administrative Fees

**3. Special Tax Prepayment Procedures and Limitations**

The amount representing the Present Value of Taxes attributable to the prepayment less the Reserve Fund Credit attributable to the prepayment shall, prior to the issuance of Bonds, be deposited into a separate account held with the School District and disbursed in accordance with the Mitigation Agreement and after the issuance of Bonds be deposited into the applicable account or fund established under the trust agreement, indenture agreement or fiscal agent agreement and used to pay debt service or redeem Bonds. The amount representing the Prepayment Administrative Fees attributable to the prepayment shall be retained and deposited into the applicable account by the District.

With respect to any Assessor's Parcel for which the Special Tax is prepaid, the Board shall indicate in the records of the District that there has been a prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Special Tax obligation and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Special Tax shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Assigned Annual Special Taxes that may be levied on Taxable Property, net of Administrative Expenses and excluding Provisional Undeveloped Property, after such prepayment shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Administrator. Such determination shall include identifying all Assessor's Parcels that are expected to be classified as Exempt Property.

Notwithstanding the above, the ability to prepay the Special Tax obligation of an Assessor's Parcel may be suspended, by the Administrator, acting in his or her absolute and sole discretion for and on behalf of the District, without notice to the owners of property within the District for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the District to assist in the efficient preparation of the required bond market disclosure.

**SECTION I  
PARTIAL PREPAYMENT OF SPECIAL TAXES**

**1. Partial Prepayment Times and Conditions**

The Special Tax obligation for Assessor's Parcels of Taxable Property may be partially prepaid in increments of ten (10) Units, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcels at the time the Special Tax obligation would be partially prepaid. An owner of an Assessor's Parcel(s) intending to partially prepay the Special Tax shall provide the District with written notice of their intent to partially prepay. Within thirty (30) days of receipt of such written notice, the Administrator shall determine the Partial Prepayment Amount of such Assessor's Parcel and shall notify such owner of such Partial Prepayment Amount.

2. **Partial Prepayment Calculation**

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = PVT \times F - RFC + PAF$$

The terms above have the following meanings:

PP	=	the Partial Prepayment Amount
PVT	=	Present Value of Taxes
F	=	the percent by which the owner of the Assessor's Parcel is partially prepaying the Special Tax obligation
RFC	=	Reserve Fund Credit
PAF	=	Prepayment Administrative Fees

3. **Partial Prepayment Procedures and Limitations**

The amount representing the Present Value of Taxes attributable to the prepayment less the Reserve Fund Credit attributable to the prepayment shall, prior to the issuance of Bonds, be deposited into a separate account held with the School District and disbursed in accordance with the Mitigation Agreement and after the issuance of Bonds be deposited into the applicable account or fund established under the trust agreement or indenture agreement or fiscal agent agreement and used to pay debt service or redeem Bonds. The amount representing the Prepayment Administrative Fees attributable to the prepayment shall be retained and deposited into the applicable account by the District.

With respect to any Assessor's Parcel for which the Special Tax obligation is partially prepaid, the Board shall indicate in the records of the District that there has been a partial prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the partial prepayment of the Special Tax obligation and the partial release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Special Tax shall cease. Additionally, the notice shall indicate that the Assigned Annual Special Tax and the Backup Annual Special Tax if applicable for the Assessor's Parcel has been reduced by an amount equal to the percentage which was partially prepaid.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Special Taxes that may be levied on Taxable Property, excluding Provisional Undeveloped Property, after such partial prepayment, and net of Administrative Expenses, shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such partial prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Administrator. Such determination shall include identifying all Assessor's Parcels that are expected to be classified as Exempt Property.

Notwithstanding the above, the ability to prepay the Annual Special Tax obligation of an Assessor's Parcel may be suspended, by the Administrator, acting in his or her absolute and sole discretion for and on behalf of the District, without notice to the owners of property within the District for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the District to assist in the efficient preparation of the required bond market disclosure.

## **SECTION J TERMINATION OF SPECIAL TAX**

The Special Tax shall be levied for a term of five (5) Fiscal Years after the final maturity of the last series of Bonds, provided that the Special Tax shall not be levied later than Fiscal Year 2069/2070. However, the Special Tax may cease to be levied in an earlier Fiscal Year if the Board has determined (i) that all required interest and principal payments on the Bonds have been paid, (ii) all authorized facilities of the District have been acquired and all reimbursements have been paid, and (iii) all other obligations of the District have been satisfied.

## **SECTION K EXEMPTIONS**

The Administrator shall classify as Exempt Property in the chronological order in which each Assessor's Parcel becomes (i) owned by the State of California, federal or other local governments, (ii) used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) owned by a homeowners' association, (iv) burdened with a public or utility easements making impractical their utilization for other than the purposes set forth in the easement, or (v) any other Assessor's Parcels at the reasonable discretion of the Board, provided that no such classification would reduce the Net Taxable Acreage to less than the acres of Acreage listed in the table below ("Minimum Taxable Acreage").

Minimum Taxable Acreage
25.6831

Notwithstanding the above, the Administrator or Board shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of the Acreage of all Taxable Property to less than the Minimum Taxable Acreage. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property to less than the Minimum Taxable Acreage will be classified as Provisional Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly.

## **SECTION L APPEALS**

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Administrator to be received by the Administrator not later than six (6) months after having paid the first installment of the Special Tax that is disputed. The reissuance or cancellation of a building permit is not an eligible reason for appeal. In order to be considered sufficient, any notice of appeal must (i) specifically identify the property by address and Assessor's Parcel Number, (ii) state the amount in dispute and whether it is the whole amount or only a portion of the Special Tax, (iii) state all grounds on which the property owner is disputing the amount or application of the Special Tax, including a reasonably detailed explanation as to why the amount or application of such Special Tax is incorrect, (iv) include all documentation, if any, in support of the claim, and (v) be verified under penalty of perjury by the person who paid the Special Tax or his or her guardian, executor or administrator. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) as the representative's decision shall indicate.

## **SECTION M MANNER OF COLLECTION**

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes and shall be subject to the same penalties, the same procedure, sale and lien priority in the case of delinquency; provided, however, that the District may directly bill all or a portion of the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial or contractual obligations, and if so collected, a delinquent penalty of ten percent (10%) of the Special Tax will attach at 5:00 p.m. on the date the Special Tax becomes delinquent and interest at 1.5% per month of the Special Tax will attach on the July 1 after the delinquency date and the first of each month thereafter until such Special Taxes are paid.

## **SECTION N ACCESSORY DWELLING UNITS (ADUS)**

The square footage of assessable internal living space associated with the construction of an ADU shall be assessed by the School District through the collection of the then current applicable statutory school fees (pursuant to Education Code Section 17620 and Government Code Section 65995) or alternative school fees (pursuant to Government Code Section 65995.5 and/or Section 65995.7) and shall not be included in the Building Square Footage calculated to determine the Land Use Class of an Assessor's Parcel of Developed Property.

**EXHIBIT A**

**CERTIFICATE TO AMEND SPECIAL TAX  
DISTRICT CERTIFICATE**

1. Pursuant to Section F of the Rate and Method of Apportionment of Improvement Area G of Community Facilities District No. 2016-1 of the Westside Union School District ("District") hereby approves a reduction in the Assigned Annual Special Tax for Developed Property, Provisional Undeveloped Property and Undeveloped Property within the District.
- a. The information in Table 1 relating to the Fiscal Year 2024/2025 Assigned Annual Special Tax for Developed Property within the District shall be modified as follows:

**Table 2**

**Fiscal Year 2024/2025  
Assigned Annual Special Taxes  
for Developed Property**

Land Use Class	Building Square Footage	Assigned Annual Special Tax
1	< 2,500 sq.ft	\$_____ per Unit
2	2,500 – 2,700 sq.ft	\$_____ per Unit
3	2,701 – 2,900 sq.ft	\$_____ per Unit
4	2,901 – 3,100 sq.ft	\$_____ per Unit
5	> 3,100 sq.ft	\$_____ per Unit

- b. The Fiscal Year 2024/2025 Assigned Annual Special Tax for each Assessor's Parcel of Provisional Undeveloped Property and Undeveloped Property, as adjusted annually pursuant to Section D 2 of the RMA shall be \$[\_\_\_\_\_] per acre. The Backup Annual Special Tax for Developed Property shall be recalculated pursuant to Section E of the RMA based on the foregoing adjusted Assigned Annual Special Tax per Acre for Undeveloped Property.

Date: \_\_\_\_\_, 20\_\_\_\_

By: \_\_\_\_\_  
Administrator